

**CITY OF COPPERAS COVE
CITY COUNCIL WORKSHOP MEETING MINUTES
August 3, 2010 – 6:00 P.M.**

A. CALL TO ORDER

Mayor John Hull called the workshop meeting of the City Council of the City of Copperas Cove Texas to order at 6:00 p.m.

B. ROLL CALL

John Hull
Cheryl L. Meredith
Charlie D. Youngs
Gary L. Kent
Danny Palmer
Kenn Smith
Jim Schmitz
Frank Seffrood

ALSO PRESENT

Andrea M. Gardner, City Manager
Charles E. Zech, City Attorney
Jane Lees, City Secretary

C. WORKSHOP ITEMS

1. Presentation and discussion on the proposed tax rate for Fiscal Year 2011.
Andrea M. Gardner, City Manager

Andrea M. Gardner, City Manager informed the Council that the tax rolls were certified last week by the Coryell County Appraisal District and the Lampasas County Appraisal District. Truth in Taxation requires that this body have a discussion on the property tax rate and the certified values. A representative from the Coryell County Appraisal District was present to answer any questions regarding the certified values for Coryell County.

The attached presentation titled "Property Tax" was given by Ms. Gardner and made a part of these minutes.

2. Provide direction to the City Manager regarding the Fiscal Year 2011 proposed tax rate. **Andrea M. Gardner, City Manager**

Two options were presented to the Council as follows:

1. Adopt a tax rate equal of the Effective Tax Rate and proved a 1% COLA increase to all employees.
2. Adopt a tax rate equal to current tax rate and provide 1.5% COLA increase to all employees.

By consensus of the Council, direction was given to Ms. Gardner to use Option 2, in which the tax rate would be equal to the current tax rate and provide a 1.5% COLA increase to all employees.

3. Presentation and discussion of the Fiscal Year 2011 Proposed Budget. **Andrea M. Gardner, City Manager**

The attached presentation titled "Drainage Fund" was given by Ms. Gardner and made a part of these minutes.

James Trevino, Assistant Public Works Director, gave an overview of the departmental budget for the Drainage Department.

The attached presentation titled "Solid Waste Fund" was given by Ms. Gardner and made a part of these minutes.

James Trevino, Assistant Public Works Director, gave an overview of the departmental budget for the Solid Waste Fund by division as follows:

1. Residential Collection
2. Commercial Collection
3. Disposal/Transfer Station
4. Non-Departmental
5. Brush Division
6. Recycling Department

The attached presentation titled "Water & Sewer Fund" was given by Ms. Gardner and made a part of these minutes.

Bob McKinnon, Public Works Director, gave an overview of the departmental budget for the Water & Sewer Fund by division as follows:

:

1. Public Works Administration
2. Utility Administration
3. Water Distribution
4. Sewer
5. Wastewater Treatment
6. Composting

4. Provide direction to the City Manager regarding the Fiscal Year 2011 Proposed Budget. Andrea M. Gardner, City Manager

No direction given.

D. ADJOURNMENT

There being no further business, Mayor Hull adjourned the meeting at 6:55 p.m.

ATTEST:

John Hull, Mayor

Jane Lees, City Secretary

Property Tax

City of Copperas Cove
An Overview of Property Tax Revenue
FY 2010-11

Property Tax Rate Components

➤ Components of a Property Tax Rate

Maintenance & Operations Rate + Debt Rate = TOTAL TAX RATE

➤ Effective or Rollback

- Effective tax rate – a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before, on properties taxed in both years.
- Rollback tax rate – a calculated maximum rate allowed by law without voter approval. The rollback rate provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra 8 percent increase for those operations plus sufficient funds to pay debts in the coming year.
- The debt rate is **not** subject to rollback provisions.

Source: “Truth-In-Taxation”, May 2010

Effective Tax Rate Calculation

- Total Taxable Value (excludes tax ceilings) = \$1,062,530,871
- Less taxable value of new improvements and new personal property = \$25,931,510
- Less properties in territory annexed after January 1, 2008 = \$0
- Equals 2010 Adjusted Taxable Value = \$1,036,599,361
- Divide Adjusted 2009 taxes (\$7,847,701) by 2010 Adjusted Taxable Value (\$1,036,599,361)
- Equals .007570621
- .007570621 x 100 = Total Effective Tax Rate = .7570

Property Tax Debt Requirements

Issue	Principal	Interest	Total Debt Requirement
1998 General Obligation	80,000	11,210	91,210
2001 CO	110,000	8,740	118,740
2003 CO	65,000	109,212	174,212
2005 GO Refunding	418,932	61,738	480,670
2006 GO Refunding	9,000	37,384	46,384
2006 Tax Notes	165,000	20,247	185,247
2007 CO	20,000	207,835	227,835
2007 GO Refunding	6,000	54,077	60,077
2008 Tax Notes	145,000	31,206	176,206
2008A Tax Notes	110,000	35,920	145,920
2009 Tax Notes	50,000	15,818	65,818
2009 General Obligation	45,000	206,424	251,424
Debt Service Reserve	-	(200,000)	(200,000)
2008 Tax Notes	(145,000)	(31,206)	(176,206)
2010 General Obligation	-	72,129	72,129
2010 Tax Notes	-	6,098	6,098
Proposed 2010A Tax Notes	25,000	125,000	150,000
Totals	1,103,932	971,832	1,875,764

Rollback Debt Tax Rate Calculation

- Total debt to be paid with property tax revenue = \$1,875,766
(Adjusted Debt)
- Adjusted Debt /2010 Certified anticipated collection rate of 100%
- Equals Debt Adjusted for Collections = \$1,875,766
- Divide Debt Adjusted for Collections by Total Taxable Value
(excluding tax ceilings) = .00176538 X 100
- Equals Debt Tax Rate = .176538

This calculation includes existing debt payments and Proposed 2010A Tax Note Issue that is in the FY 2011 Proposed Budget.

Rollback M & O Tax Rate Calculation

- 2009 M & O tax rate/\$100 = .599670
- 2009 Adjusted Taxable Value = \$1,030,764,641
- 2009 M & O taxes = \$6,181,186
- Plus taxes refunded for years preceding tax year 2009 = \$10,959
- Equals Adjusted M & O taxes = \$6,192,145
- Divide adjusted M & O taxes by 2010 adjusted taxable value (\$1,036,599,361) X 100
- Equals 2010 effective M & O rate = .597351837
- 2010 Rollback M & O rate (Effective M & O rate x 1.08) = .645139984

Total Rollback Tax Calculation

- With Total Debt \$1,875,766
(including 2010A Proposed Tax Note Issuance)
- Debt Rollback Rate = .1765
- Plus M & O Rollback = .6450
- Equals Total Rollback = .8215

Changes in Property Tax Revenue

Preliminary Values – April 2010

Identifier	Freeze Adjusted Taxable	Proposed Tax Rate	Total Tax Revenue
Coryell County Values	1,008,543,283	.7600	7,664,929
Lampasas County Values	39,462,690	.7600	299,916
Non-Freeze Tax Levy			7,964,845
Freeze Tax Levy			526,993
Total Tax Levy			8,491,839
Collection Rate			.99
Anticipated Revenue from Levy			\$8,406,920
Less Required For Debt Service			(1,875,766)
Total General Fund Tax Revenues (Page 21 Proposed Budget)			<u>\$6,531,155</u>

Changes in Property Tax Revenue

Certified Values – July 25, 2010

M&O Rate - .5835 I&S Rate - .1765

Identifier	Freeze Adjusted Taxable	Proposed Tax Rate	Total Tax Revenue
Coryell County Values	1,028,299,511	.7600	7,815,076
Lampasas County Values	39,157,030	.7600	297,593
Non-Freeze Tax Levy			8,112,669
Freeze Tax Levy			556,990
Total Tax Levy			8,669,659
Collection Rate			.99
Anticipated Revenue from Levy			8,582,962
FY 2011 Proposed Tax Revenue			8,406,921
Total Tax Revenue Increase from Proposed Budget			<u>\$176,041</u>
Property Tax Revenue Increase to M&O			\$186,587
Property Tax Revenue Decrease to I&S Reserves			(\$10,546)

Current Tax Rate Compared to ETR

Current Tax Rate = .7600

Tax Revenue Calculation	M&O Rate	I&S Rate	Total Tax Rate	Property Tax Revenue
Certified Values	.5835	.1765	.7600	\$8,582,962
Preliminary Values	.5947	.1653	.7600	\$8,406,921
Property Tax Revenue Increase (Preliminary vs Certified)				\$176,041

Effective Tax Rate = .7570

Tax Revenue Calculation	M&O Rate	I&S Rate	Total Tax Rate	Property Tax Revenue
Certified Values	.5805	.1765	.7570	\$8,551,260
Preliminary Values	.5947	.1653	.7600	\$8,406,921
Property Tax Revenue Increase (Preliminary vs Certified)				\$144,339

Governing Body Appropriation Options for Increase

1. Adopt a tax rate equal of the Effective Tax Rate and proved a 1% COLA increase to all employees.
2. Adopt a tax rate equal to current tax rate and provide 1.5% COLA increase to all employees.

Option 1 Impact on the General Fund

M&O Rate - .5805 I&S Rate - .1765

Tax Rate	Estimated Beginning Fund Balance	FY 2011 Projected Revenues	FY 2011 Projected Expenditures	Projected Ending Fund Balance	Ideal Fund Balance	Over/(Under) Ideal Fund Balance
.7570	4,725,957	14,428,028	15,392,541	3,761,445	3,715,049	46,396

Any changes to proposed expenditures will require "Ideal Fund Balance" to be recalculated. Only changes in property tax revenue from those proposed on 7/20/10 are depicted in this chart. Transfers out to Cemetery Fund, SAFER Grant Fund and Recreation Activities Fund will increase by the 1% COLA amount for employees paid from those funds.

If City Council proposes a tax rate equal to the ETR of .7570, adds \$90,925 to General Fund expenditures for a 1% COLA increase to all City Employees and increases the transfer out to the Cemetery Fund, Safer Grant Fund and Recreation Activities Fund:

Projected Ending Fund Balance	\$3,761,445
Ideal Fund Balance	\$3,715,049
Over (Under) Ideal Fund Balance	\$ 46,396

Option 2 Impact on the General Fund

M&O Rate - .5835 I&S Rate - .1765

Tax Rate	Estimated Beginning Fund Balance	FY 2011 Projected Revenues	FY 2011 Projected Expenditures	Projected Ending Fund Balance	Ideal Fund Balance	Over/(Under) Ideal Fund Balance
.7600	4,725,957	14,456,731	15,439,626	3,746,062	3,726,415	19,647
<p>Any changes to proposed expenditures will require "Ideal Fund Balance" to be recalculated. Only changes in property tax revenue from those proposed on 7/20/10 are depicted in this chart. Transfers out to Cemetery Fund, SAFER Grant Fund and Recreation Activities Fund will increase by the 1.5% COLA amount for employees paid from those funds.</p>						

If City Council proposes a tax rate equal to the current tax rate of .7600, adds \$136,387 to General Fund expenditures for a 1.5% COLA increase to all City Employees and increases the transfer out to the Cemetery Fund, Safer Grant Fund and Recreation Activities Fund:

Projected Ending Fund Balance	\$3,746,062
Ideal Fund Balance	\$3,726,415
Over (Under) Ideal Fund Balance	\$ 19,647

Calculation of Appraisal District Fees

- Based on the total tax levy of each entity served.
 - Divide entity tax levy by total tax levy of all entities.
- Multiply percent calculated above for each entity by the total Appraisal District Budget.
- Equates to the fee for each entity.
- Appraisal District Fees are paid to both Lampasas Appraisal District and Coryell Appraisal District.
- Coryell is projecting a minor increase – City's Cost estimated to be \$165,464 in FY 2011 from \$163,831 in FY 2010 (1% increase).
- Lampasas is projecting a slight increase – City's Cost estimated to be \$3,498 in FY 2011 from \$3,310 in FY 2010 (5.7% increase).

Questions?

Drainage Fund

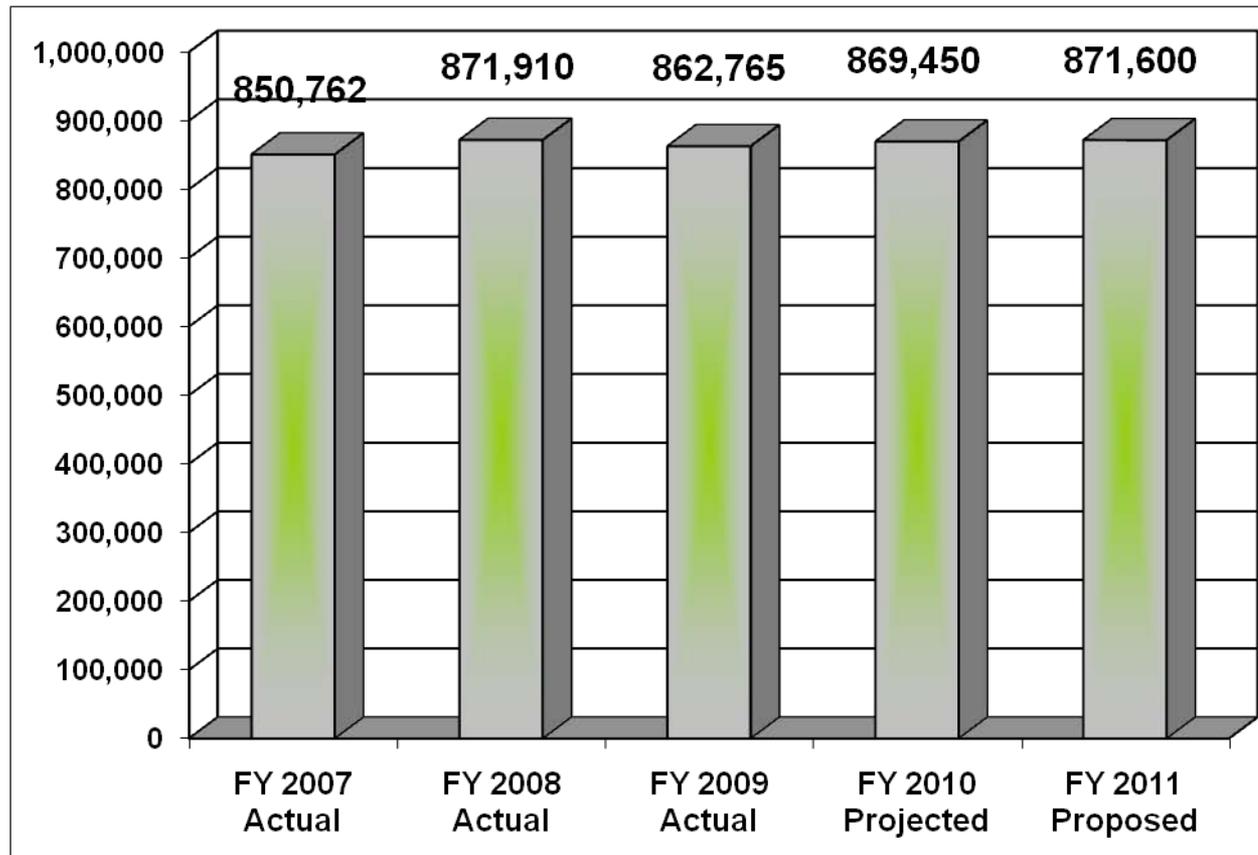
FY 2011 Proposed Budget

Drainage Fund Balance

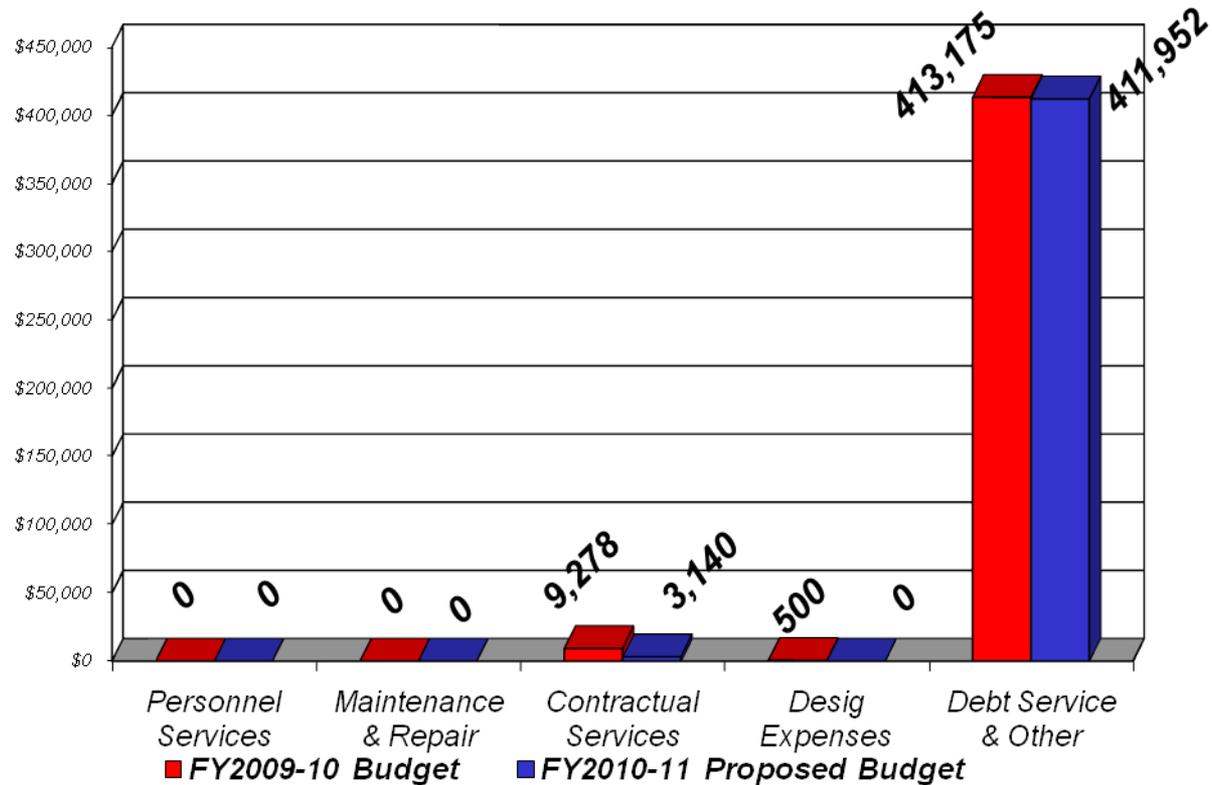
Estimated Fund Balance 10/01/2010	\$ 467,888
Estimated Revenue for FY 2011	871,600
Total Funds Available	1,339,488
Estimated Expenses for FY 2011	<u>932,358</u>
Projected Ending Fund Balance	<u><u>\$407,130</u></u>

*Ideal Fund Balance does not apply

Drainage Fund Revenues



Non-Departmental Expense Comparison - By Category



Non-Departmental Significant Budget Changes

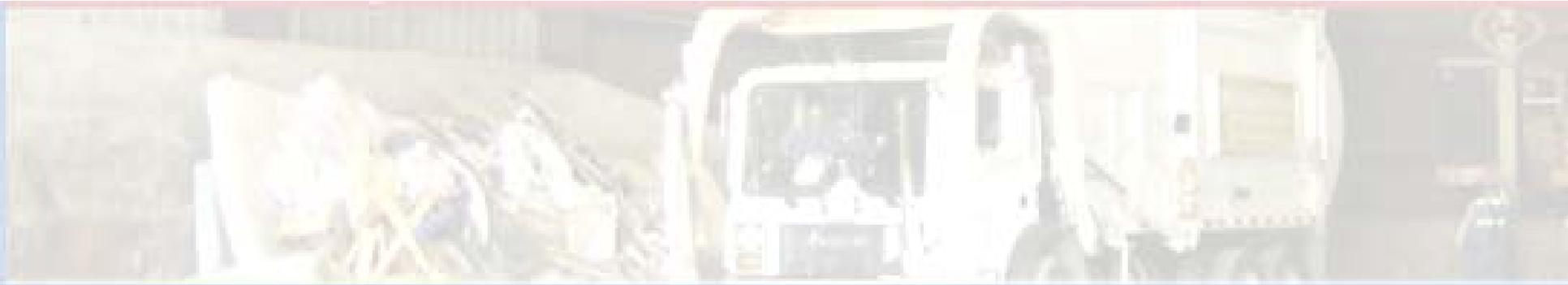
➤ **Contractual Services**

- In FY 09-10 funded portion of Annual audit. In FY 10-11 audit not budgeted.

➤ **Debt Service and Other**

- Administrative Reimbursement decreased by \$22,864.
 - Debt Service payments include an increase of \$21,641.
-

Changes to Proposed Budget?



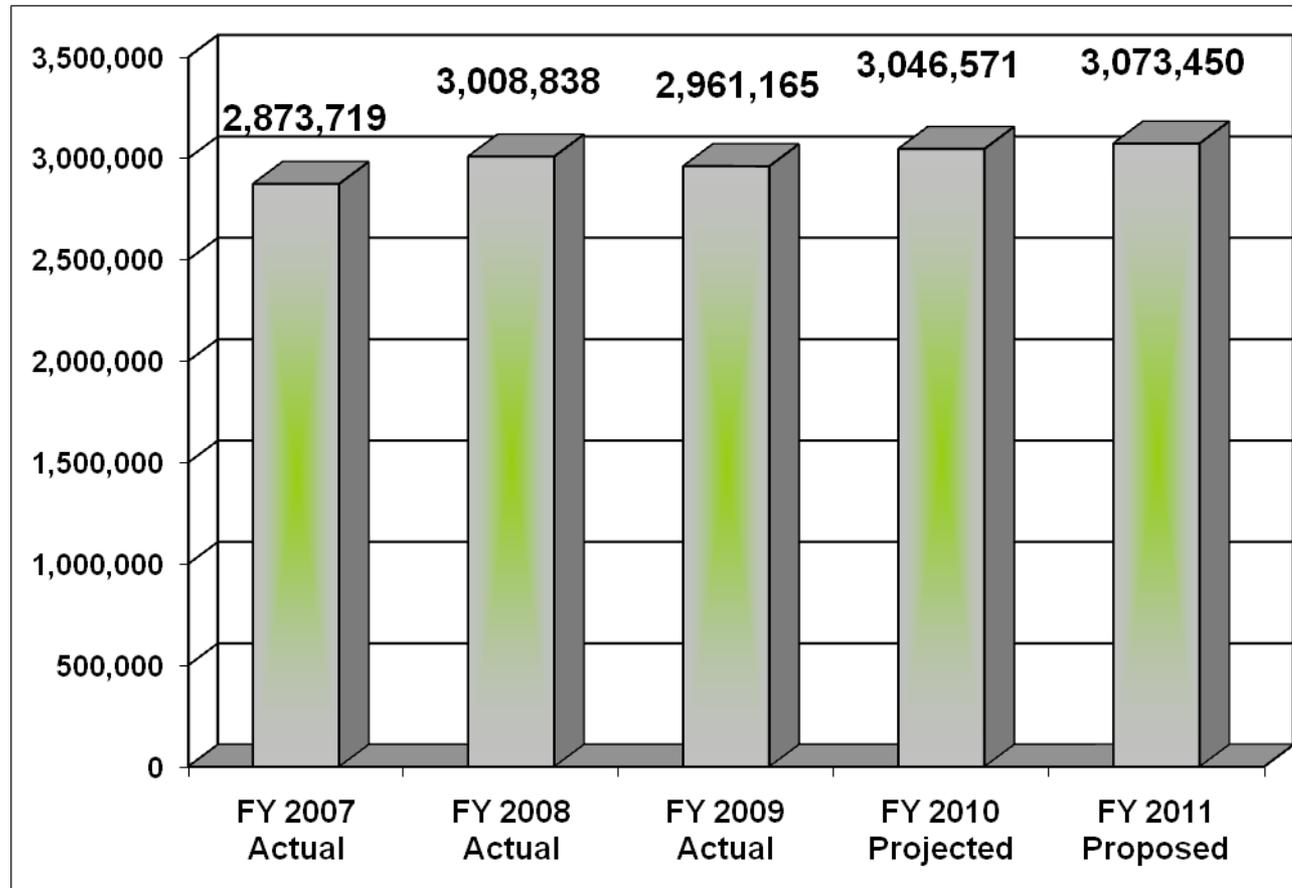
Solid Waste Fund

FY 2011 Proposed Budget

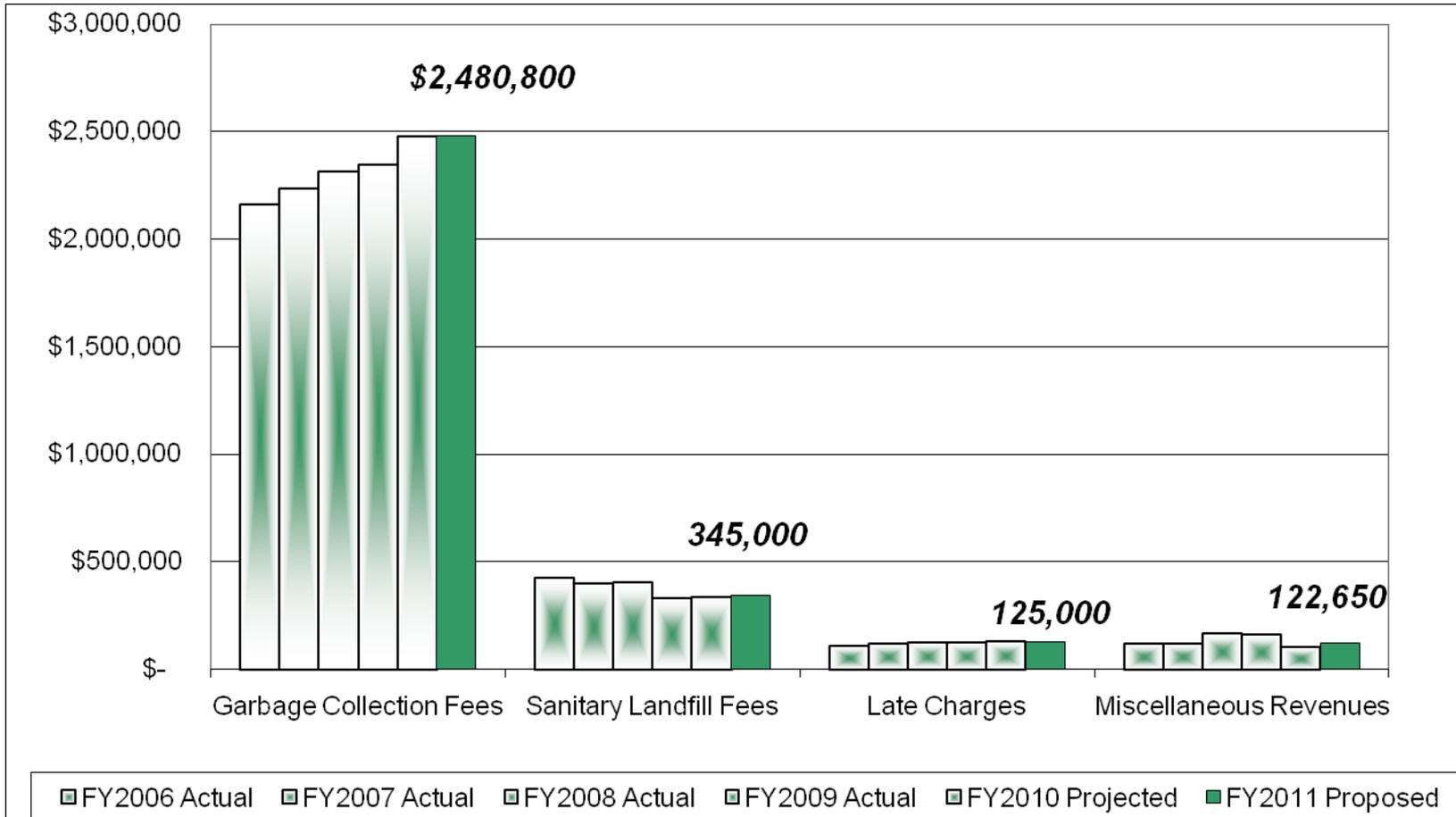
Solid Waste Fund Balance

Estimated Fund Balance 10/01/2010	\$ 806,954
Estimated Revenue for FY 2011	3,073,450
Total Funds Available	3,880,404
Estimated Expenses for FY 2011	<u>3,143,406</u>
Projected Ending Fund Balance	<u><u>\$736,998</u></u>
Ideal Fund Balance	\$711,276
Over/(Under) Ideal Fund Balance	\$25,722

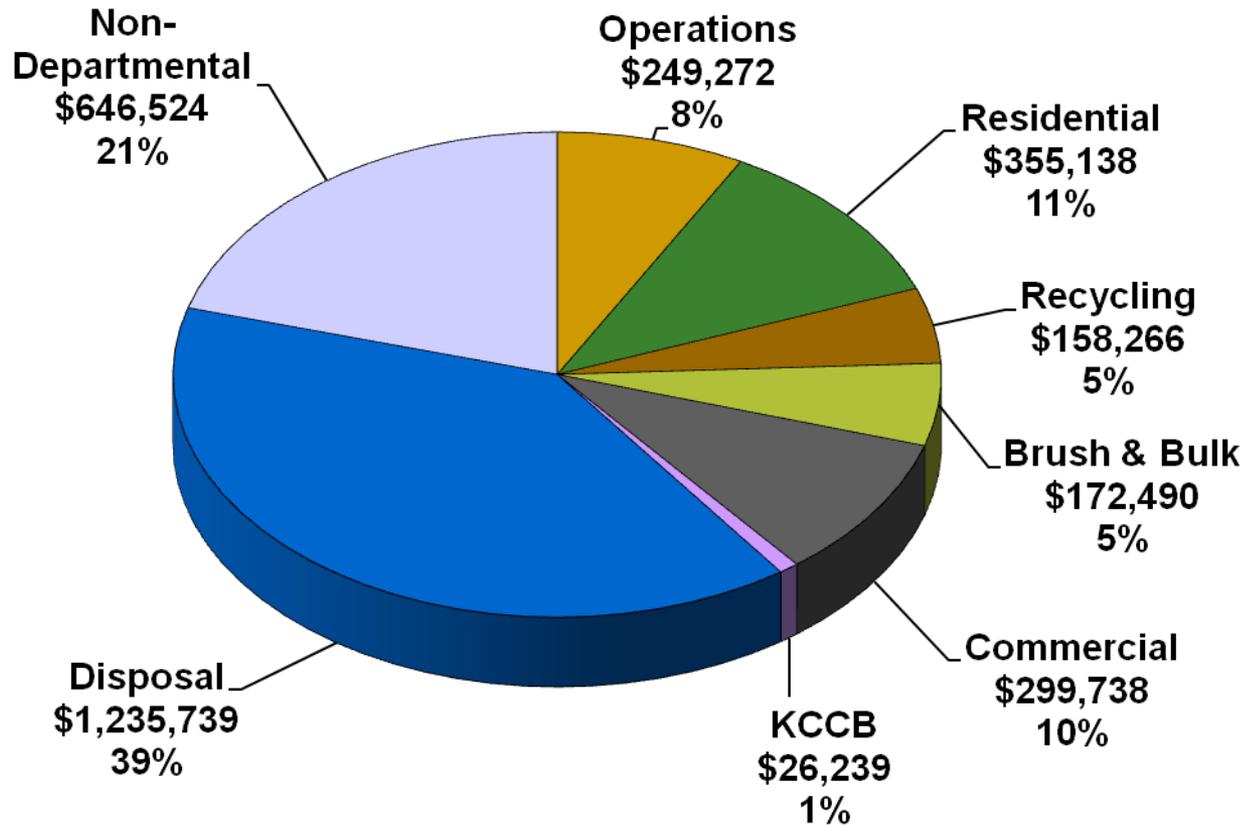
Solid Waste Fund Revenues



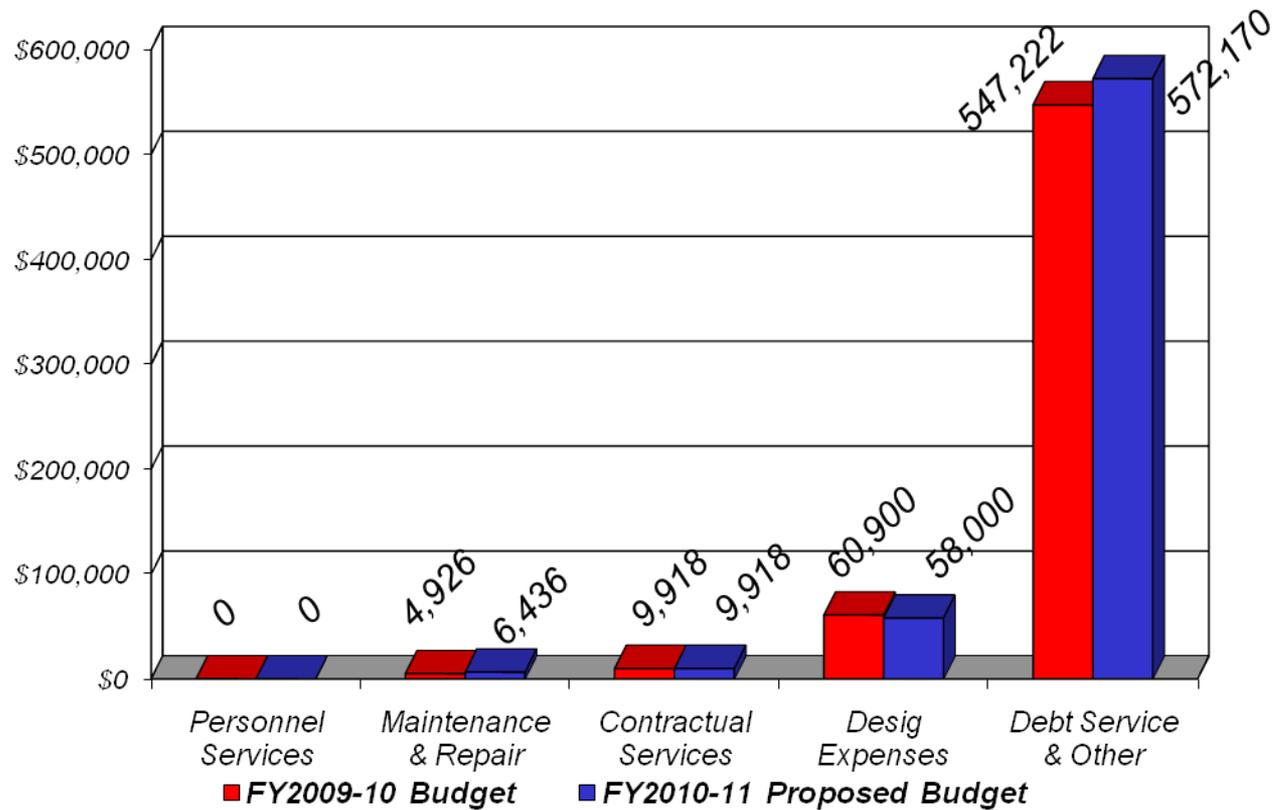
Solid Waste Fund Revenue Comparison – By Source



Solid Waste Fund Expense Comparison - By Function



Non-Departmental Expense Comparison - By Category



Non-Departmental Significant Budget Changes

➤ **Debt Service and Other**

- Administrative Reimbursement remains at \$428,000.
 - Debt Service payments include an increase of \$24,948.
-



Changes to Proposed Budget?



Water & Sewer Fund

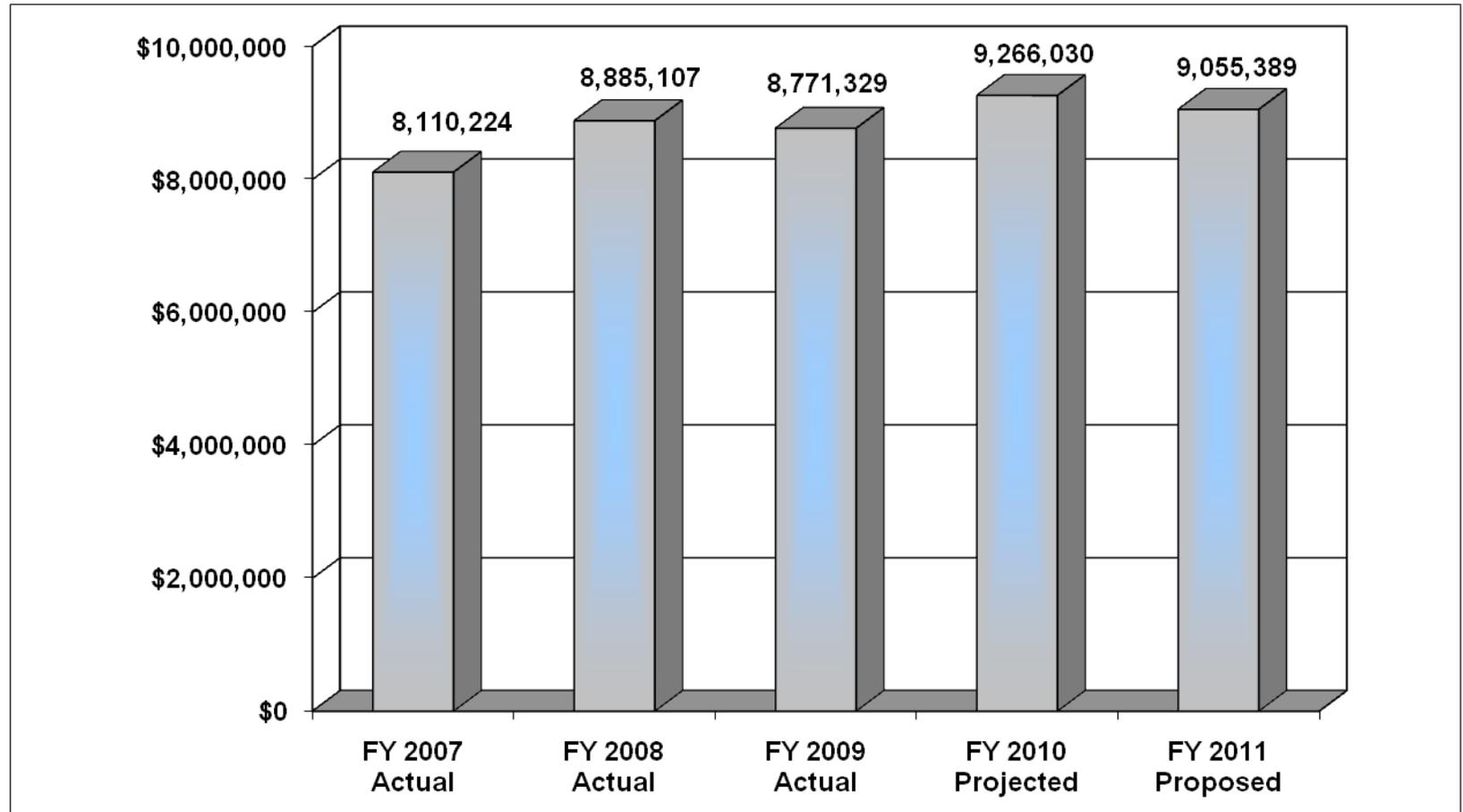
FY 2011

Proposed Budget

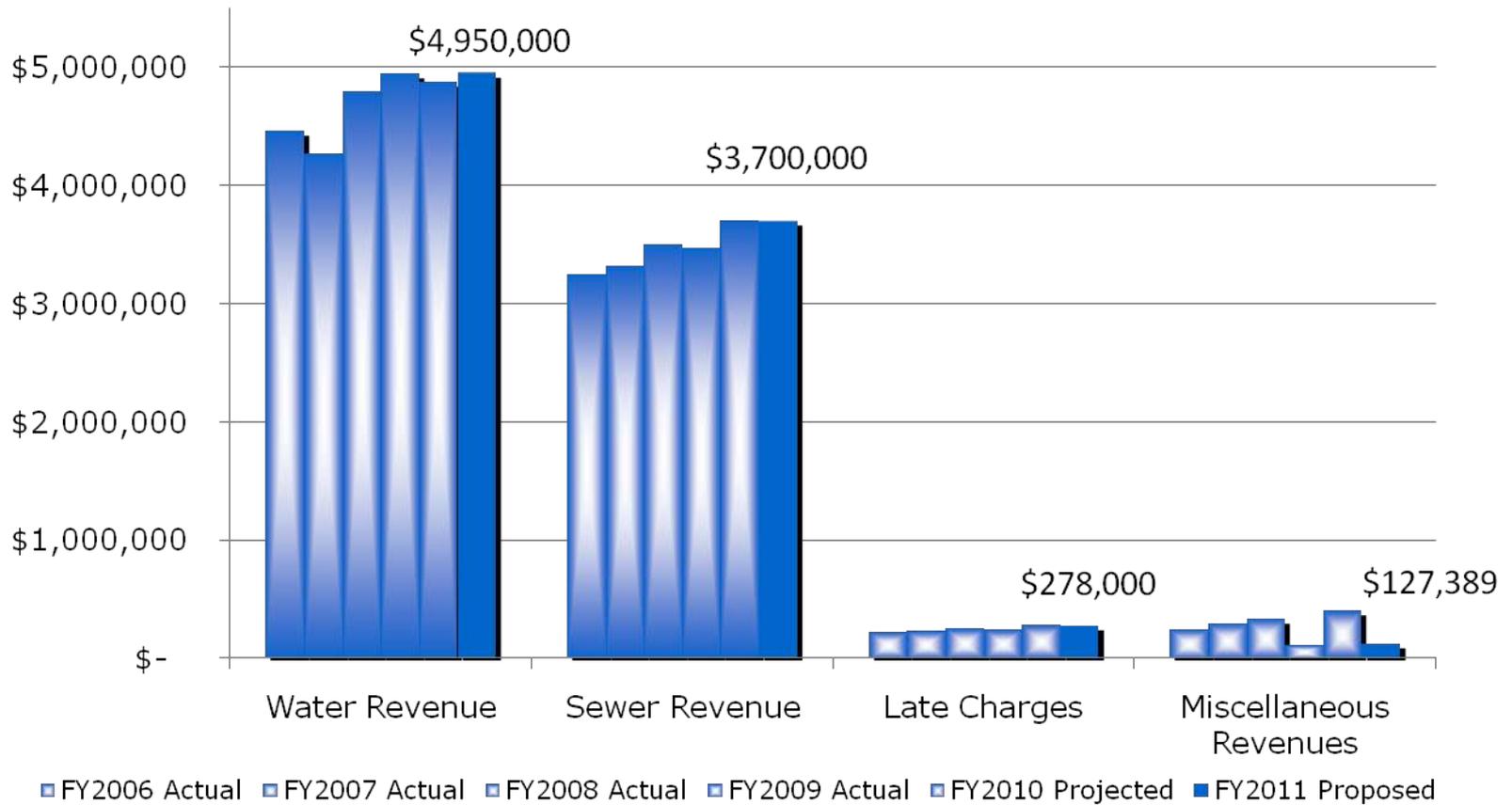
Water & Sewer Fund Balance

Estimated Fund Balance 10/01/2010	\$2,218,541
Estimated Revenue for FY 2011	9,055,389
Total Funds Available	11,273,930
Estimated Expenses for FY 2011	<u>9,991,616</u>
Projected Ending Fund Balance	<u>\$1,282,314</u>
Ideal Fund Balance	\$1,798,458
Over/(Under) Ideal Fund Balance	(\$516,145)

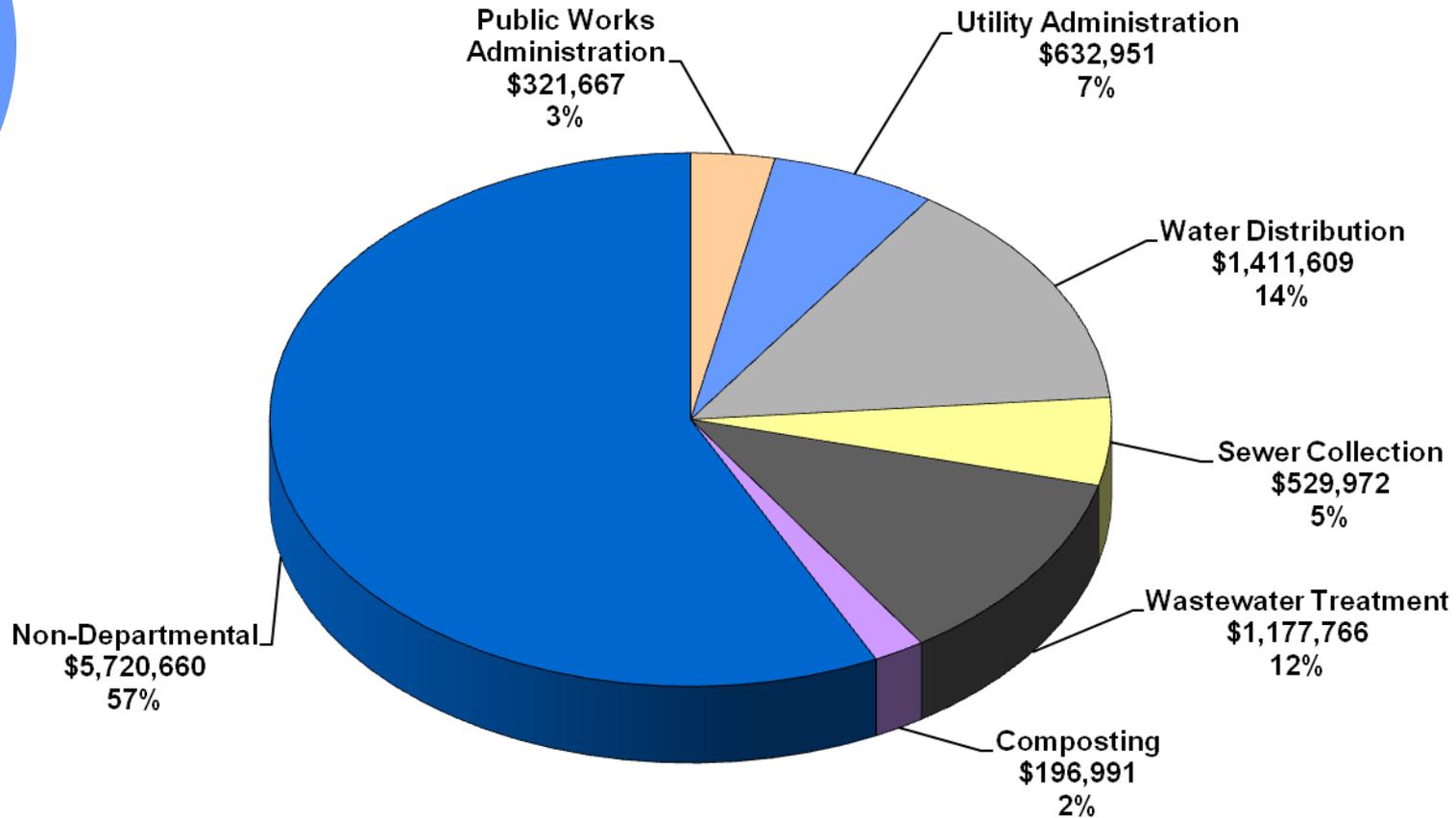
Water & Sewer Fund Revenues



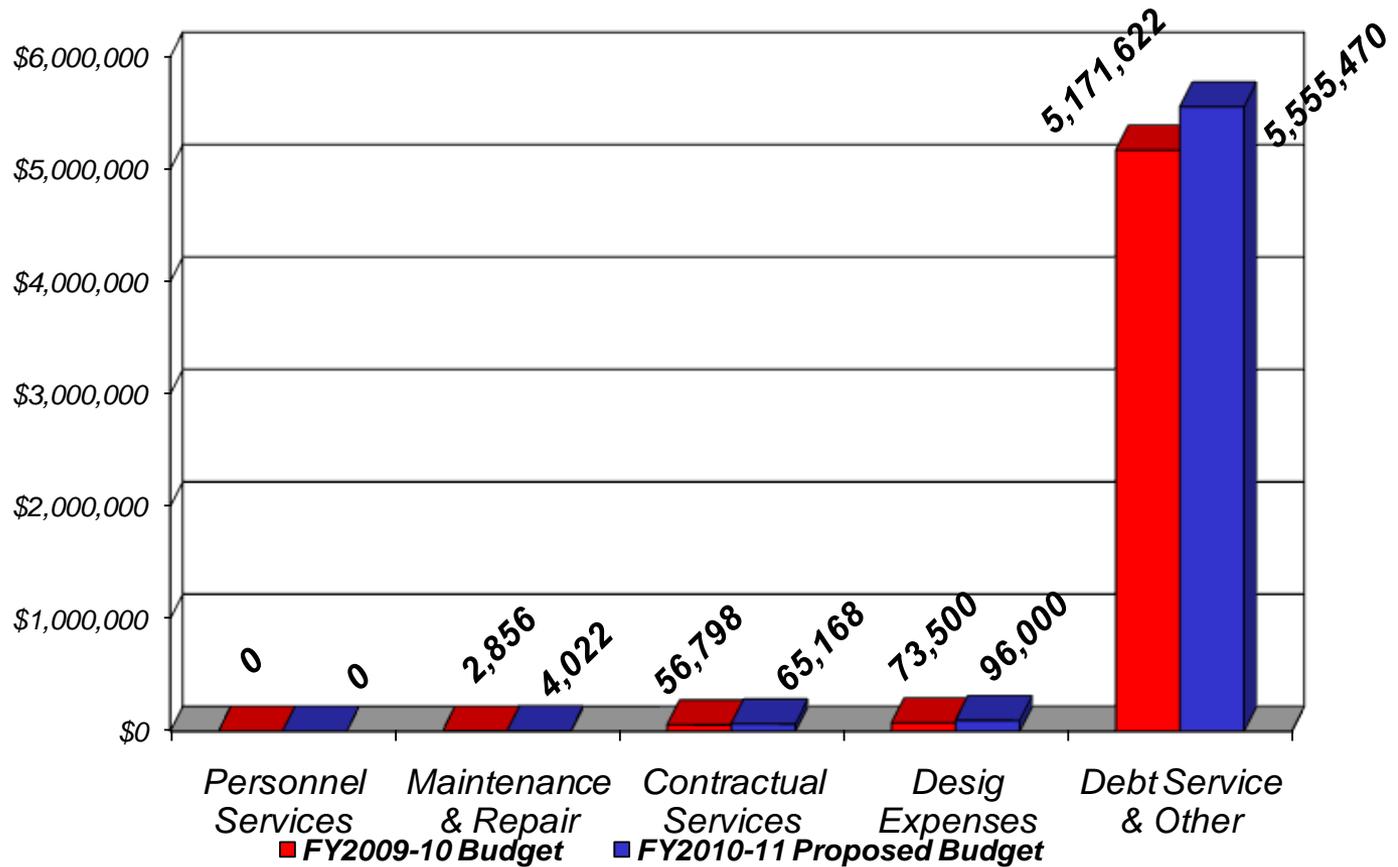
Water & Sewer Fund Revenue Comparison – By Source



Water & Sewer Fund Expense Comparison - By Function



Non-Departmental Expense Comparison - By Category



Non-Departmental Significant Budget Changes

- **Contractual Services**

- Includes funding for the Storage at old Police Department Building.

- **Debt Service and Other**

- Administrative Reimbursement is maintained at \$742,500.
- Water Purchases increased from \$1,995,100 to \$2,029,975.
- Debt Service payments includes an increase of \$389,123.



Changes to Proposed Budget?

**CITY OF COPPERAS COVE
CITY COUNCIL REGULAR MEETING MINUTES
August 3, 2010 – 7:00 P.M.**

A. CALL TO ORDER

Mayor John Hull called the regular meeting of the City Council of the City of Copperas Cove Texas to order at 7:00 p.m.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Reverend Matthew Moore, Copperas Cove First Baptist Church, gave the Invocation and Mayor Hull led the Pledge of Allegiance.

C. ROLL CALL

John Hull
Cheryl L. Meredith
Charlie D. Youngs
Gary L. Kent
Danny Palmer
Kenn Smith
Jim Schmitz
Frank Seffrood

ALSO PRESENT

Andrea M. Gardner, City Manager
Charles E. Zech, City Attorney
Jane Lees, City Secretary

D. ANNOUNCEMENTS

Council Member Smith stated that the Golf Association spent \$1,300 to refurbish the restroom at the No. 5 hole at the Golf Course.

Council Member Kent thanked everyone who came to the Council Meeting as well as the citizens who watch the meeting on television. He asked everyone to continue to come to meetings and that it is important that the City Council hears from them.

E. PUBLIC RECOGNITION

1. Oath of Office – Jim Schmitz, Position 6. *F.W. "Bill" Price, Municipal Judge*

F.W. "Bill" Price, Municipal Court Judge, administered the Oath of Office to Jim Schmitz, Council Member Position 6. Mr. Schmitz was election in a Special Election on July 20, 2010 to fill a vacancy on the City Council for Position 6, which runs through June 2011.

2. Employee Service Awards. *Andrea M. Gardner, City Manager*

Andrea M. Gardner, City Manager, presented the following August 2010 recipients with their pins:

- Lenora Couch, Senior Records Clerk Police Department – 15 years
- Daniel Austin, Police Lieutenant – 25 years

3. Retirement Recognition - Daniel "Danny" L. Austin, July 31, 2010

- City of Copperas Cove. Andrea M. Gardner, City Manager, presented Lt. Austin with an Honorably Retired ID Card and a picture. She thanked Lt. Austin for his years of service for the City.
- Citizens Police Academy Alumni Association. Dorothy McClure, President of the Association, presented Lt. Austin with a Certificate for Lifetime Membership to the Association, an Association Tee-shirt, and a 10-year Association Anniversary Pin, along with an engraved clock. Many Association members were present.
- Crime Stoppers. Al Castillo presented a gift on behalf of Crime Stoppers. Many Crime Stoppers members were present.

Lt. Danny Austin commented that of all the retirement events he has had in his honor during the last few weeks, this one was the hardest. He said that he developed many great friendships with many, many people. The Alumni Association is a great group of people and works very hard for the City. He said he would try to be around as much as he could to assist them. He said that Crime Stoppers is a great bunch of folks too, along with the Citizens Fire and Public Safety group. He thanked everyone for helping make his job easier through the years. He thanked Marty Smith and Betty Price of the Chamber for their assistance through the years with events like Rabbit Fest and National Night Out. He thanked them for always saying "Yes" every time he needed help. He thanked Chief Molnes, Deputy Chief Heintzelman, Lt. Eddie Wilson, Cheryl Forester, Kelli Sames and the City Council for everything, saying that "it was a good ride."

Mayor Hull announced that the City received a certificate on July 27, 2010 from Fort Hood USO. The certificate thanked the City for its dedication and loyalty to the USO Mission and for supporting the Soldiers and Families of Fort Hood.

F. CITIZENS' FORUM – None.

G. CONSENT ITEMS

1. Consideration and action on approving the minutes from the workshop council meeting on July 20, 2010. **Stefanie Brown, Deputy City Secretary**

2. Consideration and action on approving the minutes from the regular council meeting on July 20, 2010. **Stefanie Brown, Deputy City Secretary**

3. Consideration and action on award of Bid No. 2010-09-42 for dry cleaning services for police uniforms. **Eddie Wilson, Police Lieutenant**

Council Member Kent made a motion to approve G-1, G-2, and G-3 as presented. Council Member Smith seconded the motion, and with a unanimous vote, motion carried.

H. PUBLIC HEARINGS/ACTION

1. Public hearing and action on a Petition for Annexation by the Copperas Cove Economic Development Corporation. **Wesley Wright, P.E., City Engineer**

Wesley Wright, City Engineer, gave an overview of agenda item H-1.

Mayor Hull opened the public hearing at 7:39 p.m.

Speaking for: Council Member Kent asked what will property be used for. Mr. Wright said that the property is not currently zoned and no requests have been made at this time, therefore, it is unknown what the property will be used for.

Polo Enriquez, Executive Director of the CCEDC stated that the Board of Directors have a meeting scheduled on August 10, 2010 to discuss options on zoning requests.

Speaking Against: None.

Mayor Hull closed the public hearing at 7:44 p.m.

Council Member Schmitz made a motion to accept the Petition for Annexation by the Copperas Cove Economic Development Corporation. Council Member Seffrood seconded the motion, and with a unanimous vote, motion carried.

2. Consideration and action on a resolution setting the public hearing dates and times for the annexation of 155.8906 acres of land in Coryell County, Texas being owned by the Copperas Cove Economic Development Corporation and generally located east of Constitution Drive and south of US Highway 190 to the City of Copperas Cove. **Wesley Wright, P.E., City Engineer**

Wesley Wright, City Engineer, gave an overview of agenda item H-2.

Council Member Schmitz made a motion to approve Resolution No. 2010-27, setting two public hearings for annexation of 155.9006 acres to be held on August 5 and 17, 2010. Council Member Palmer seconded the motion. A roll call vote was taken as follows:

Cheryl L. Meredith	Aye
Charlie D. Youngs	Aye
Gary L. Kent	Nay
Danny Palmer	Aye
Kenn Smith	Aye
Jim Schmitz	Aye
Frank Seffrood	Aye

Motion carried six to one.

The resolution caption is as follows:

RESOLUTION NO. 2010-27

A RESOLUTION TO SET THE PUBLIC HEARING DATES AND TIMES FOR THE ANNEXATION OF 155.8906 ACRES OF LAND IN CORYELL COUNTY, TEXAS BEING OWNED BY THE COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION AND GENERALLY LOCATED EAST OF CONSTITUTION DRIVE AND SOUTH OF US HIGHWAY 190 TO THE CITY OF COPPERAS COVE.

3. Public hearing on the annexation of 6.8 acres owned by the City of Copperas Cove to the City. **J. Mike Baker, Fire Chief/EMC**

J. Mike Baker, Fire Chief/EMC, gave an overview of agenda item H-3.

Mayor Hull opened the public hearing at 7:47 p.m.

Speaking for: None.

Speaking Against: None.

Mayor Hull closed the public hearing at 7:48 p.m.

No action taken.

I. ACTION ITEMS

1. Consideration and action on a resolution nominating a candidate(s) to serve on the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool. **John Hull, Mayor**

Mayor Hull gave an overview of agenda item I-1, then nominated Frank Seffrood for the position.

Council Member Smith made a motion to approve Mayor Hull's nomination of Frank Seffrood. Council Member Kent seconded the motion, and with a unanimous vote, motion carried.

The resolution caption is as follows:

RESOLUTION NO. 2010-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, TO NOMINATE A CANDIDATE(S) TO SERVE ON THE BOARD OF TRUSTEES OF THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL.

J. REPORTS FROM OUTSIDE ENTITIES, ADVISORY COMMITTEES AND BOARDS

1. Chamber of Commerce 2nd Quarter Report for 2010. **Marty Smith, President, Copperas Cove Chamber of Commerce**

Marty Smith, President of the Copperas Cove Chamber of Commerce, presented the 2nd Quarter Report for 2010.

K. ITEMS FOR FUTURE AGENDAS

Council Member Youngs stated that he would be absent from the Special Meeting scheduled for August 31, 2010 and asked if he needed to request an excused absence from the Council. City Attorney Zech stated that the City Charter is very clear in saying that only regularly scheduled meetings of the Council must be excused, therefore it was not necessary to make a request for

the Special Meeting on August 31, 2010. Council Member Schmitz informed the Council at this time that he too, would not be present at the August 31, 2010 Special Meeting.

L. EXECUTIVE SESSION

1. Pursuant to §551.074 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to deliberate the evaluation and duties of the City Manager, Andrea M. Gardner.

2. Pursuant to §551.074 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to deliberate the evaluation and duties of the City Secretary, Jane Lees.

The Council adjourned to Executive Session at 7:57 p.m.

M. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ANY ITEMS POSTED AND LEGALLY DISCUSSED IN EXECUTIVE SESSION

The council reconvened into open session at 9:01 p.m. Mayor Hull announced that there was no action to be taken as a result of the Executive Session discussion.

N. ADJOURNMENT

There being no further business, Mayor Hull adjourned the meeting at 9:02 p.m.

John Hull, Mayor

ATTEST:

Jane Lees, City Secretary