

ULYSSES CITY COUNCIL
Special Meeting Session
July 18, 2012
5:00 p.m. at City Hall

PRESENT:

Mayor: John Battin

Councilmembers Present: John Duran, Janet Stewart, Dan Widder, Tim McCauley, Warren Devore, Larry Velasquez

Staff Present: Alan Olson, Sheila Maxfield, Danny Watson, Sherrie Olson, Ruben Flores, Margaret Perez

Visitors: Lacie McCarter, Kellie Euliss, Tom Vick, Shayla Jaquez, Dennis Leighty

Mayor John Battin called the special meeting to order a 5:00 p.m. to work on the 2013 budget.

The Pledge of Allegiance was led by Mayor Battin. Councilmember Janet Stewart led the room in Opening Prayer.

Interim City Administrator Alan Olson stated that the reserve funds are decreasing each year as the City has had more expenditures than revenue. The City must rebuild the reserve fund to cover at least three months of expenses as recommended by Dirks, Anthony and Duncan, LLC. Olson and the department heads made drastic budget cuts with a total of \$600,000.00. All of which will be moved into the reserve funds. The City utilizes approximately \$331,000.00 per year from this fund.

Olson suggested increasing utility rates to assist in building the reserve funds. While referring to the unencumbered balances handout, the information provided three scenarios. 1) No changes to utility rates result in a loss of \$223,966.77 in 2013 2) Increase utility rates by 15%, we gain \$113,403.75; a \$5.47 increase of utility rate per month for the average customer 3) Increase utility rates by 18%, we gain \$173,333.26; a \$6.56 increase of utility rate per month for the average customer. Olson also recommended the maximum mil levy amount. If we drop the mil levy, we will not receive the maximum allowable rate without passing an ordinance. The percentage will automatically be lowered putting us at a disadvantage. Therefore, by raising the mil levy by 1.19%, the City will receive approximately \$37,000.00.

Motion by Councilmember John Duran, seconded by Councilmember Larry Velasquez, to increase utility rates across the board by 18% and raise the mil levy by 1.19%. Motion carried unanimously. The ordinances will be approved and signed on July 25, 2012 council meeting.

General Fund & 2013 Budget

Several councilmembers explored the possibility of eliminating their reimbursement as officials for one year. A motioned made by Councilmember Dan Widder, Councilmember Duran seconded, to cut councilmembers salaries for one year. Vote was taken, remaining councilmembers opposed. Motion denied.

Councilmember Widder explored the possibility of eliminating employees through attrition rather than cutting projects. Councilmember Stewart agreed that certain departments may be able to absorb positions, but not necessarily every department. Mayor Battin asked each councilmember to vote if they agree with having a blanket hiring freeze. Councilmember Widder voted aye, Councilmember Stewart voted nay, Councilmember Duran voted nay, Councilmember Tim McCauley voted nay, Councilmember Warren Devore voted nay, and

Councilmember Velasquez voted nay. Mayor Battin stated that department heads are responsible to manage employees.

Each department head presented their budget. The council expressed concern that there may have been too much money cut that may jeopardize services and projects within the city. The Councilmembers requested modification to the following funds:

- Administrative Fund: Omit \$5,000 for the cost of recording the council meetings.
- Police Department Fund: Purchase one police vehicle for 2013 for a total of \$28,000.

Datamatic, Ltd. – Water Meters

Councilmembers explored the possibility of eliminating or expanding the installation payments over a five to seven year period. It was decided to honor the three year payment plan as originally agreed to.

Health Benefits

Councilmember Stewart discussed the possibility of increasing employee pay for health coverage. However, Councilmember Devore views the benefit package as an incentive in retaining quality employees. Mayor Battin asked each councilmember to vote if they agree in keeping the employee cost in the health package the same. Councilmember Widder voted nay, Councilmember Stewart voted aye, Councilmember Duran voted nay, Councilmember McCauley voted nay, Councilmember Devore voted nay, and Councilmember Velasquez voted nay. The consensus was agreed upon.

Evaluation/ Cost of Living

Eliminating the 'cost of living' verbiage was recommended by Councilmember Stewart. Councilmembers felt employees should be evaluated and be merit based. Pay increases will be between 0 – 4%. Motion made by Councilmember Stewart, seconded by Councilmember Widder, to eliminate the cost of living verbiage and evaluate employees based on performance. Motion carried unanimously.

Adjournment

At 8:17 p.m. Councilmember Duran made a motion to adjourn. The motion was seconded by Councilmember McCauley. Meeting was adjourned.

Mayor John Battin

Councilmember Larry Velasquez

Councilmember Tim McCauley

Councilmember Dan Widder

Councilmember Janet Stewart

Councilmember John Duran

Councilmember Warren Devore

Interim City Administrator Alan Olson

City Clerk Margaret Perez