

**CITY OF RIESEL**  
**SPECIAL COUNCIL MEETING MINUTES ~ AUGUST 30, 2011**

**BE IT REMEMBERED** that on Tuesday, **August 30, 2011**, the Riesel City Council met in a special called session, at 6:30 p.m. in the Riesel City Hall Meeting Room, at 104 Hwy. 6 North in Riesel, Texas, with notice of said meeting having been posted at least 72 hours in advance in accordance with Section 551, Texas Government Code.

**Call to Order:** The meeting was called to order by Mayor Dave Ross presiding officer, at 6:30 p.m.

**Council Members Present:** Gerry Suttle, Deena Tobias, Tom Flanary, Dave Ross, Jordan Doughty and Al Bumelis

**Council Members Absent:** None

**Employees Present:** Danny Krumnow, Ali Wright and Alisha Flanary

**Visitors Present:** Carol Merritt, Debra Haynes, Odis Merritt, Katherine Bode

**Consider / Action on Resolution #2011-0830 approving a settlement between Atmos Engery Corp's Mid-Tex Div. ("Atmos") and Atmos Texas Municipalities ("ATM") resulting in no change in base rates and approving tariffs which reflect costs related to the steel pipe replacement program.** Rudy Martinez made brief presentation regarding the settlement and answered questions. To avoid issues with future city street maintenance plans, Council asked to be informed of actual details of Atmos' plans for future pipe replacement.

Deena Tobias made a motion to approve Resolution #2011-0830. Gerry Suttle seconded the motion. Motion carried unanimously.

**Public Hearing on setting and levying 2011-2012 City Property Tax Rate – Hearing opened at 6:40pm**  
Public commented openly with questions and concerns about the possibility of a tax rate increase. Katherine Bode made the first comment, asking if Council was planning to raise the tax rate one penny, and Odis Merritt followed up by asking for an explanation as to why a tax increase was being proposed. Debbie Haynes stated that the proposed budget did not reflect a need for a tax increase and that it appears as though no actual plans had been made for the allocation of the additional tax revenue. Mrs. Haynes presented a Capital Summary and other supporting reports as to why she says a tax increase just doesn't make sense because the City would only be gaining \$5,900. Carol Merritt mentioned that County property evaluations will bring increased income. Al Bumelis stated that the City is receiving a significant increase in tax revenue due to the power plant construction. Elizabeth Dieterich stated that there are always unforeseen expenses, emergency situations come up and that the Council needs to allow for that. **Hearing closed at 7:17pm.**

**Public Hearing on adopting 2011-2012 General/Court/Police, Water & Sewer Operating Budget. Hearing opened at 7:18pm**

Katherine Bode opened the public comments by asking about the clothing budget being \$500 for each department, and asked if that was really necessary. Debbie Haynes stated that the City was in need of an Engineer and also pointed out that the proposed budget is based on a .26 tax rate. The Mayor stated that it would be best if they just go ahead and review every single line of the budget again, one by one. In the process of reviewing the entire budget, the following changes were noted: Change the tax rate if it does not pass at .25 cents; Increase Travel/Training in the General Fund to \$3,000; decrease the Flag-Flagpole funds to \$2,900; Take the backhoe out of the budget completely, because it was paid off in 2010; Reduce the Park Fun by taking out the Grant funds because those haven't been applied for yet; decrease Court Clothing to \$250; Raise the Court Overtime by \$250; Remove the Land Page; Add Engineer fees of \$20,000 in the Water Dept.; Add \$25,000 Engineer fees in the Sewer Dept.;

Elizabeth Dieterich suggested designating some of our Unrestricted Funds to Restricted Funds for some of the major water & sewer line repairs that the City may need to initiate in the upcoming year. Al Bumelis suggested investigating this option further before the September 13<sup>th</sup> Council Meeting.

**Hearing closed at 8:30pm.**

**Consider / Action on Ordinance #2011-06, adopting an ordinance setting a City Property Tax Rate for fiscal year 2011-2012.** Motion by Deena Tobias to adopt ordinance as is stated in budget at the rate of .26cents. Motion died because of a lack of 2<sup>nd</sup>. Motion by Tom Flanary to adopt proposed ordinance #2011-06 with an amendment to keep the rate at the current .25 cents. Al Bumelis Seconded the motion. The motion carried with Four Ayes (Jordan Doughty, Gerry Suttle, Tom Flanary & Al Bumelis), and one Abstention (Deena Tobias).

**Consider / Action on Ordinance #2011-07, adopting an ordinance levying a City Property Tax Rate for fiscal year 2011-2012.** Motion by Tom Flanary to adopt proposed Ordinance #2011-07 to levy taxes with an amendment to the rate to be set at .25 cents. Al Bumelis seconded the motion. Motion carried with Deena Tobias abstaining.

**Consider / Action on Ordinance #2011-08, an ordinance adopting the General/Court/Police, Water & Sewer Operating Budget for fiscal year 2011-2012.** Tom Flanary made a motion to adopt proposed Ordinance #2011-08 with the amendments discussed during the hearing. Al Bumelis seconded the motion. Motion carried unanimously.

**Adjourn:** With no further business and with no objection, the meeting adjourned at 8:49 pm.

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**Dave Ross, Mayor**

Attest:

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**Alisha Flanary, Interim City Secretary**