

CITY OF SULPHUR SPRINGS, TEXAS

SPECIAL MEETING OF THE

CITY COUNCIL

SEPTEMBER 22, 2009

7:00 p.m.

Mayor Spraggins called the special meeting of the Sulphur Springs City Council to order at 7:05 p.m. The following council members and staff were present:

Mayor Gary Spraggins
Mayor Pro Tem Chris Brown
Councilman Craig Johnson
Councilman Clay Walker
Councilman Charles Oxford

Absent: Councilman Oscar Aguilar
Councilman Freddie Taylor

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Peter Karstens, Director of Finance
Johnny Vance, Director of Community Development
Craig Vaughn, Director of Utilities

PLEDGE AND INVOCATION

Mayor Spraggins led in the pledge of allegiance and Mayor Pro Tem Brown led in the invocation.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2565, THE APPROPRIATIONS ORDINANCE FOR THE CITY OF SULPHUR SPRINGS FISCAL YEAR 2009-2010

Finance Director Peter Karstens presented the staff report. This is the second and final reading of the budget ordinance. There was no one else to speak to the issue. Mayor Pro Tem Brown moved to adopt the ordinance on the second and final reading. Councilman Johnson seconded and the vote was as follows:

Ayes: Johnson, Walker, Spraggins, Brown
Nays: Oxford
Abstain: None

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2566, SETTING THE TAX RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2009

Finance Director Peter Karstens presented the staff report. The property tax rate overall stays the same at 44 cents per \$100 of valuation. The taxes in ordinance are actually assessed on property tax as of January 1, 2009, though they are due after the tax rate is set. There was no one else to speak to the issue. Councilman Oxford moved that the property taxes be increased by the adoption of a tax rate of \$0.44 per \$100 of valuation which is effectively a 1.18% increase in the tax rate, adopting the ordinance on the second and final reading. Councilman Johnson seconded the motion making the statement that this is not an increase of the actual rate. The vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2567, SETTING THE WATER RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2009

Finance Director Peter Karstens presented the staff report. The water rates, as noted in the budget workshops, increase by 4.8% from last year's budget. The increase is due to the repairs on the water and sewer lines increasing from \$135,000 five years ago to over \$530,000. It has severely affected the fund balance in the Enterprise Fund which our bond covenants require we keep a two-month supply or \$1,200,000. There was no one else to speak to the issue. Mayor Pro Tem Brown moved to adopt the ordinance on the second and final reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2568, SETTING THE SEWER RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2009

Finance Director Peter Karstens presented the staff report. The sewer rates, as noted in the budget workshops, increase by 4% from last year's budget. The increase is due to the repairs on the water and sewer lines increasing from \$135,000 five years ago to over \$530,000. It has severely affected the fund balance in the Enterprise Fund which our bond covenants require we keep a two-month supply or \$1,200,000. There was no one else to speak to the issue. Mayor Pro Tem Brown moved to adopt the ordinance on the

second and final reading. Councilman Oxford seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2569, SETTING THE SANITATION RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2009

Finance Director Peter Karstens presented the staff report. The sanitation rates, as noted in the budget workshops, increase by 7.5% from last year's budget. As per our contract the Franchisee has two 5% annual increases for fuel cost plus or minus CPI in 2008 and 2009. There was no one else to speak to the issue. Councilman Walker moved to adopt the ordinance on the second and final reading. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 983 AUTHORIZING THE SUBMISSION OF A HOME PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR HOME FUNDS

City Manager Marc Maxwell presented the staff report. Rachel Edwards, Resource Management and Consulting, was also available to answer questions. The Texas Department of Housing and Community Affairs (TDHCA) has funds available for housing through their HOME program. Only low to moderate income families or individuals are eligible for the program. They must own their own homes and it must be dilapidated to qualify. Interested parties submit their names for consideration and then 5 or 6 applicants are chosen for funding based upon a set of predetermined criteria. It is proposed that the selection process be conducted by the Nehemiah Foundation, a local non-profit organization whose principal focus is affordable housing. The successful applicants relocate temporarily while their old dilapidated home is demolished and another is built in its place. The money for the home is "loaned" to the applicant; however, the loan is forgiven over a period of 3 to 10 years depending on the financial condition of the applicant. There was a general discussion regarding the matter. There was no one else to speak to the issue. Councilman Walker moved to approve the resolution as presented. Mayor Pro Tem Brown seconded and the vote was unanimous.

The motion carried.

VISITORS/PUBLIC FORUM

David Poage, Randy Self, and Alex Edwards expressed their concerns about the broken culvert on Locust Street and the drainage issues in the same vicinity.

ADJOURN

With all business complete the meeting was adjourned at 7:39 p.m.