

**MINUTES: City Council Meeting-Workshop  
February 19, 2008**

**PRESENT: Mayor Joe Higgs, Councilman Robert Patton, Councilman Glenn Ervin,  
Councilman Andy Garza, Councilman Thomas Muir, Councilman Mike  
Walker**

**OTHERS**

**PRESENT: City Manager Mike Brice, City Secretary/Asst. City Manager Rose Chavez**

**1. Call Meeting to Order.**

Mayor Higgs called meeting to order.

**2. Overview of Items on Regular Agenda.**

**3. Overview of Audit.**

Carl Deaton, Certified Public Accountant addressed City Council with a review of the 2006/2007 audit. He discussed the comparative statements of revenues versus expenses in detail for the Enterprise Fund and General Fund. The overall net change in assets in the Enterprise Fund was \$794,000 which was down significantly from the previous year. The revenues were down considerably from the previous year in the electric, water and sewer sales. Mr. Deaton continued discussing the assets and liabilities in detail.

Mr. Deaton indicated that 4A and 4B had significant increases in their fund balances. He advised that most of their monies are in investments at the bank.

In the General Fund there were bond revenues that show up as an increase in the Fund Balance, and as the funds are spent, it reduces the fund balances and shows up in the Capital Outlay. There are also restricted funds that are earmarked for bond payments. He expressed a concern that after all these restricted funds are considered in the fund balance, the portion that is not designated is \$16,000. On September 2006 that number was \$101,000. The General Fund unrestricted Fund Balance in this year's audit has taken a big drop in comparison to the previous year.

Mr. Deaton continued with summary totals of revenue and the expenditure activity by department in the General Fund in comparison to the budget. It was followed by a review of the long-term debt, both in the General Fund and Enterprise Fund and Capital Assets.

Mr. Deaton finalized his audit report by addressing his management letter. He emphasized that the city is losing too many utility dollars to bad debts and feels deposits are too low. He also commented on the Electric Department Inventory and advised he has visited with Mike Prater and has given him some direction on what

needs to be done to get this under control. The final comment was that the minutes needed to be signed by the Mayor after approved by Council.

City Manager advised that this morning the Mayor came in and officially signed all the minutes.

Councilman Muir inquired on the health of the City funds.

Mr. Deaton indicated that health-wise the General Fund is not in good shape and the reserves are not there. This needs to be a priority and the City needs to work toward three months of unrestricted reserves. The reason for this is due to the periods of low cash flows. He hopes that in the budget this year we can budget an increase to stop the decline. This is important and if it ever gets in the negative it impacts future bond ratings.

City Manager emphasized that last year the revenues were not there in the Enterprise Fund and it impacted the General Fund. The Enterprise Fund supports the General Fund and last year the monies were not there. The General Fund needs to become less dependent on the Enterprise Fund. The process will be difficult, but needs to be done.

Discussion continued with the general health issues of the funds, the need to generate more revenue without going into more debt.

City Manger commented and thanked Carl for an excellent job with this audit. He was thorough and provided feedback on how we can do things better.

#### **4. Discussion on the Metal Building Ordinance.**

City Manager advised there have been two issues that affect two ordinances Section 3.171 "Use of Metal Building Restricted," and Section 34 "Accessory Building Regulations." The Methodist Church wants to move in a portable building that is in B3 zoning which requires brick. This restricts the Church from moving in the portable building.

The other issue is the Pilgrim's Way Church and their request is to move a portable building for a classroom fellowship hall. The Church is in the required zoning district. The concern with the current ordinance is that it does not address how many portable buildings can be placed on a site.

City Manager advised there are two issues that he needs input from Council. Do they want to limit how many portable buildings can be placed on a site and how does Council want to do this?

Discussion continued on what needs to be allowed. The number of buildings and the size of the buildings were discussed. All the building, fire codes and ADA requirements have to be met.

City Manager emphasized that he needs Council input prior to bringing an ordinance. In the matter concerning the Methodist Church he can bring an ordinance to modify

**Section 34 to address specifically buildings for churches and give them an exemption for the masonry requirement. If the Council does not want to do this, then the Church must ask for rezoning for residential. This would be more restrictive on the property if it ever changed from its current use.**

**Discussion continued on how this would impact the neighborhood.**

**City Manager advised he will prepare the language on both Sections and he will have it on another work session for their review.**

**5. Discussion on Sanger ISD Foundation Banquet.**

**City Manager advised that the Education Foundation Banquet has asked if the City would consider buying a table for \$750.00. He does not have a problem and advised this is not illegal or unethical. He requested an opinion from Council on the matter.**

**Council felt that it would be a great gesture; however, the perception that the public might have by doing this was not what they wanted.**

**Council expressed they can individually pay for attending the banquet.**

**City Manager advised that the meeting with the school board on Monday at 6:00 p.m. He will be making a presentation on the Comprehensive Plan and the Tomlin Development.**

**6. Questions from the Council.**

**Mayor Higgs inquired on the budget and how will we get unrestricted funds in the General Fund.**

**City Manager advised that we have started to work on that and currently we have a fund started that has a balance of about \$10,000. He advised that he has discussed this with Rose and if the City is experiencing a good revenue year then they will shift excess revenues to that account.**

**Councilman Walker asked if we will be addressing increasing deposits for the utilities.**

**City Manager indicated that he will be bringing them information on this item and will schedule it in a worksession for discussion.**

**7. Adjournment.**

**Mayor adjourned the meeting.**

**Attest:**

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**Joe Higgs, Mayor**

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**Rose Chavez, City Secretary**

