

CITY OF LAKEWAY CITY COUNCIL
Minutes of Special Session
Monday, August 12, 2013, at 2:00 p.m.
Lakeway City Hall, 1102 Lohmans Crossing, Lakeway, Texas 78734

1. **Establish Quorum and Call to Order.** Present: Mayor Pro Tem Dave Taylor and Councilmembers Joe Bain, Phil Brown, Dee Ann Burns, Bruce Harris, and Jim Powell. Mayor Dave DeOme was absent.
2. **Work session: FY2014 Proposed Budget.**
 - Presentations by Steve Jones, City Manager.
 - Council discussion.

City Manager Steve Jones presented some highlights of the proposed budget: a proposed Ad Valorem (property tax) tax rate of \$0.1800; increased revenues of 11% from property values, franchise fees, sales tax, interest income, BDS and Municipal Court fees, Parks & Rec proceeds from donations, grants, LAC, and Swim Center; departmental expenditures mainly include costs associated with hiring additional staff, i.e. a city marshal for Municipal Court, two building inspectors for BDS, a full time administrative assistant for Parks & Rec, an assistant manager at the Swim Center, as well as some capital expenses for new AV equipment in the council chambers, software & equipment, vehicle and heavy equipment replacements, road drainage repair and maintenance, microphones for police dispatchers, and the Golden Anniversary celebration; supplies and services expenditures for the police department include portable AEDS, laser radar systems for motorcycles, auto door-lock systems, covered parking for patrol cars, and enhancement of the K-9 and the fit-for-duty programs. Staff salaries show an increase of 3-5% based on tracking of last year's salary survey. This year, the City will offer full time staff a choice of health insurance plans; one will require employee contribution. The Fund Balance shows a surplus of \$215,781 after expenditures.

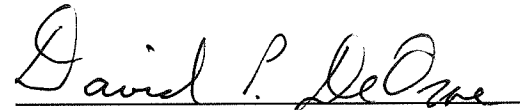
Throughout the presentation, city councilmembers asked several questions: Are ad valorem taxes ever challenged? What impact does the 65 and Over exemption have on tax revenues for the City? Does tax revenue include the new medical center? Why is there a decline in LAC revenues forecasted? What are the duties of the Forester, whose position is being transferred to the Parks & Rec department? Will the Swim Center be open in the winter? Can police chief provide more data on the fitness program at the PD, and is the program mandatory or optional? Why are the costs of the dispatch microphones so high, and what is the life expectancy of the current mics? How many vehicles are in the police department's fleet? And, what is the life expectancy of the vehicles and is there a depreciation schedule? Will the MUD contribute anything to the replacement of the landscaping sprinkler system along Lakeway Boulevard? What percentage of revenue from court warrants goes to the State? What will the duties of the city marshal encompass, and will the position relieve some of the functions the police officers have at court, like that of the bailiff? Who performed the salary survey last year? What type of retirement plan do the employees have? Will the health insurance benefits be affected by the Affordable Care Act? Is there a contingency in the budget to cover unexpected expenses?

Break: 3:15 p.m. – 3:25 p.m.

3. **Ad Valorem tax rate for 2013:** Consider adopting a proposed Ad Valorem tax rate for 2013.
- Staff comments – City Manager Steve Jones proposed a tax rate of \$0.1800 and noted that once the tax rate is set, it cannot be raised, only lowered.
 - Citizen participation – No one spoke.
 - Council discussion/action – **Councilmember Bain moved to approve the proposed Ad Valorem tax rate of \$0.1800. Councilmember Burns seconded the motion, and it passed unanimously, approved 6-0.**

Councilmember Harris requested additional pages on the City's property tax revenues provided by the Travis County Appraisal District. City Manager Steve Jones stated that councilmembers would receive that information along with all the special funds budget information in advance of the next budget work session, which is scheduled for August 26th at 2:00 p.m.

4. **Meeting adjourned at 3:56 p.m.**


David P. DeOme, Mayor Pro Tem

ATTEST:


Donna Boyle, City Secretary

