

CITY OF HORSESHOE BAY

CITY COUNCIL WORKSHOP

September 4, 2008

The Council of the City of Horseshoe Bay held a Public Meeting to conduct a Budget Workshop at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, September 4, 2008, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 9:00 a.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Claudia Haydon, Alderwoman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the budget workshop to order at 9:00 a.m. with a quorum present.
2. Convene Budget Workshop: Mayor Lambert introduced Nelisa Fullerton with Water Resources Management, L.P., and she gave a presentation on the rate study they conducted. She explained that the American Water Works Association (AWWA) had developed methodology for recovery of costs to provide water to citizens and by law, water plants must be built large enough to be able to supply enough water during "peak demand". There is a cost burden and providers are allowed to recoup their cost for supplying this amount. For the most part the proposed increases are small and will increase by a like amount each year for the next 4 years. Proposed wastewater increases were also small. Even though these proposed rates go though 2012, the Council will only be approving the 2009 rate at the September 16, 2008 meeting.

Mayor Lambert added the water plants and the wastewater plant are expandable. If expanded, the capacity should be sufficient for many years. He added that last year the Council decided to debt finance capital projects instead of trying to pay for them with accumulated cash.

Mayor Lambert also said he would like to see the City become more aggressive in communicating the need for water conservation to the property owners in Horseshoe Bay.

Mayor Lambert said there will be an item on the September 16, 2008 agenda to approve the rates for fiscal year 2008-2009.

The meeting was recessed at 10:10 a.m. for a short break and reconvened at 10:21 a.m.

Mayor Lambert asked if members of the Council had any questions or comments regarding the proposed budget. There were none.

Next, the Council discussed the proposed employee compensation increases for the next fiscal year. Mayor Lambert said he has worked on this with City Manager Stan Farmer and Administration Manager Toni Vanderburg, and he is comfortable that the proposed amounts make sense with only a few exceptions. He proposed a correction to three employees' compensation beginning October 1, 2008 in an amount not to exceed \$15,000 in total. Alderman Robinson asked whether the salary survey is something that might need to be done on an annual basis in order to stay competitive. Alderwoman Haydon suggested using a local firm to do the salary survey. After some discussion the decision was made to look at the compensation amounts again at the December 16, 2008 meeting in order to make further adjustments if needed. The amount for merit and special adjustments was increased to allow for the proposed changes making the total \$205,000 and the contingency was increased by \$50,000 for a total of \$250,000.

3. Adjournment: There being no further discussion, a motion was made, seconded, and passed to adjourn the meeting at 10:42 p.m.

APPROVED this 16th day of September, 2008.

CITY OF HORSESHOE BAY, TEXAS

/S/
Robert W. Lambert, Mayor

ATTEST:

/S/
Teresa L. Moore, City Secretary