

CITY OF BLUE RIDGE
CITY COUNCIL MINUTES
May 9, 2017

THE BLUE RIDGE CITY COUNCIL MET IN SPECIAL SESSION AT 6:00 P.M. ON TUESDAY, MAY 9, 2017 AT THE BLUE RIDGE CITY HALL LOCATED AT 200 S. MAIN, BLUE RIDGE, TEXAS 75424 AT 7:00 P.M. WITH THE FOLLOWING ITEMS ON THE AGENDA FOR CONSIDERATION AND/OR ACTION.

1. Mayor Williams called the meeting to order at 6:00 p.m.
2. Roll was called with the following members present, Mayor Rhonda Williams, Christina Porath, Wendy Mattingly, and Kevin Bell. Council members absent were Amber Wood and Jacob Deen.
3. Consider and/or act upon approving an expenditure for port-a-potties up to \$300 for the Summer Bash event sponsored by the Blue Ridge Chamber of Commerce on June 3, 2017.

The Chamber has expressed they will make all efforts to attain the port-a-potties for free, but in the event an expense needs to be made, they requested up to \$300 from the City. Wendy Mattingly motioned to approve the expenditure up to \$300 with Kevin Bell seconding the motion. Motion carried unanimously.
4. Consider and/or act upon receiving the audit for Fiscal Year 2015-2016.

Valerie Cleveland, CPA, presented the audit for FY 2015-2016. Journal Entries will be submitted to the Council if requested with Wendy Mattingly making said request. Ms. Cleveland explained the terminology of different opinions with this particular audit receiving a clean unqualified opinion which is a good opinion with no records causing "heartburn." There were a lot of adjustments required to clean accounts due to miscoding. Other accounts were combined since there were too many separate accounts.

Reviewing the audit book, see page 23 for the Adjusted Income, otherwise known as the Profit and Loss Statement. The City spent \$70,000 on sewer repairs. Ms. Cleveland expressed her financial opinion that the City is not charging enough water/sewer rates to cover repair expenses. The Water/Sewer fund cannot sustain the large amounts of expenditures with the rates currently in place. There also needs to be revenue equal to the depreciations.

Recommendation: strongly urged to review charges and increase rates.

Page 29 reflects the depreciation of \$93,991 which reflects \$60,000 in losses. Discussions were had by staff regarding fees.

Recommendation: strongly urged to pass on all fees incurred by the City such as building permit fees, credit card processing fees, etc.

Page 25 reflects the short term profit and loss where the City was ahead \$31,933 in the General Fund. The City cannot afford to operate on such a narrow margin. It costs \$758 a day to operate from the General Fund. With what the City has now, the operations can function for 193 days.

Recommendation: Increase revenues

Pages 28-29 reflects the water/sewer accounts.

Recommendation: Increase rates to cover all maintenance costs and ensure increased margins.

Pages 30-31 reflects the cash flows for day-to-day operations. The payables from last year increased.

Recommendation: Increase Accounts Receivables.

Wendy Mattingly questioned if 4A/4B was audited. These organizations were audited as a separate "Component" reflected on pages 22-23.

Page 52 reflects the Budget over Expenses.

Recommendation: Consider increasing the property tax rate between the effective tax rate and the rollback.

Further Recommendations: 1) Consider JHock Software for billing as it allows historical data rather than just real time and it integrates with QuickBooks. This system is used by the City of Josephine. 2) Consider releasing Bureau Veritas and using a private contractor for building permits. The City is not seeing enough profit from the building permits. Mr. Caperton has reasonable rates.

5. Citizen Participation

Faith Jech invited the Council to attend the Blue Ridge Chamber of Commerce's meeting following the Council meeting. Chamber will be meeting at the Community Center starting at 7pm.

6. Christina Porath made the motion to adjourn at 6:33pm with Kevin Bell seconding. Motion carried unanimously.

APPROVED:

ATTEST:

Rhonda Williams, Mayor

Edie Sims, City Secretary