

**TOPPENISH CITY COUNCIL
Study Session Minutes
November 4, 2013**

CALL TO ORDER

Mayor Jiménez called the meeting to order at 5:00 p.m.

ROLL CALL

Present: Mayor Clara Jiménez and Councilmembers Loren Belton, Derald Ortloff, Randy Taylor, and Blaine Thorington.
Absent: Councilmembers Zachary Dorr and Mark Oaks.
Staff Present: City Manager William C. Murphy (CM Murphy), Finance Director/City Clerk Linda B. Mead (FD Mead), and Executive Assistant/Deputy City Clerk Heidi Riojas.

**RECEIVE STAFF PRESENTATION REGARDING
2014 PRELIMINARY BUDGET**

City Manager Murphy (CM Murphy) reported that the focus of his presentation will be broad to give Council an understanding of the state of the City budget. CM Murphy stated that for the past years, he has advised Council that the City's property tax base and sales tax revenues have not been growing at the same rate as the increasing expenditures of City services. It was reported that after CM Murphy and FD Mead reviewed the proposals submitted by Department Directors for the 2014 Budget it was determined that the proposals exceeded anticipated revenues by more than \$1 million. CM Murphy stated that he directed Department Directors to freeze spending and to set their proposals back to the same rate as the 2013 Budget or less. After the proposal adjustments and further review and adjustments by the Finance Director and City Manager, there was still a shortage of more than \$720,000.

CM Murphy explained the proposal utilized to overcome the negative balance to be able to present Council with a preliminary balanced budget. The Council received a copy of the Revenue Source Memorandum from Finance Director for the 2008 Budget and the 2014 Budget, along with pie charts to illustrate the differences in revenues for the General Fund in 2008 and 2014. In addition, Council received copies of pie charts for the 2008 and the 2014 expenditures. The majority of the General Fund budget is used to maintain public safety.

To be proactive, CM Murphy reported that a plan needs to be in place to address the continuing trend of a budget shortfall. CM Murphy summarized the three-part proposal to address the \$720,000 shortfall by first using \$180,000 from Fund 150 known as Old Program Income that is now unrestricted; second using \$180,000 from the Capital Reserves; and third using \$360,000 by implementing a 10% increase in the utility taxes from 23% to 33%. It was stated that the proposal will delay the utility rate increases and only increase the utility tax rate. The purpose of the utility tax is to support public safety, which is the largest portion of the General Fund.

CM Murphy reported that he and staff will be reviewing fees and services in comparison with neighboring Cities. Council expressed their support in this effort that will proceed throughout 2014.

The Mayor and Council expressed their appreciation for all the employees for the service they provide for the City.

It was the consensus that Department Directors will not need to make budget presentations for the 2014 Budget.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 5:50 p.m.

CLARA R. JIMÉNEZ, MAYOR

HEIDI RIOJAS, CMC
EXECUTIVE ASSISTANT/DEPUTY CITY CLERK