



**CITY OF HEDWIG VILLAGE, TEXAS
SPECIAL CITY COUNCIL MEETING
FRIDAY, SEPTEMBER 30, 2016
9:00 A.M. - 955 PINEY POINT ROAD**

MINUTES

1. CALL TO ORDER

Mayor Brian Muecke called the meeting to order at 9:00 a.m.

Present: Mayor Brian Muecke

City Councilmembers:

William Johnson

Carrol McGinnis

Barry Putterman

Bob Wiener

Matt Woodruff

Kelly Johnson, City Administrator/City Secretary-Treasurer

Lane Standley, Building Official

David Gott, Police Chief

Lisa Modisette, Assistant City Secretary

Paul Warner, Police Captain

Absent: Alan Petrov, City Attorney

2. PUBLIC HEARING

- A. AN ORDINANCE ADOPTING THE BUDGET OF THE CITY OF HEDWIG VILLAGE, TEXAS, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2017, AND ENDING DECEMBER 31, 2017, AND APPROPRIATING THE SEVERAL SUMS SET THEREIN TO THE OBJECTS AND PURPOSES THEREIN NAMED.**

Mayor Muecke explained the purpose of the meeting was to adopt the 2017 Budget. He stated the proposed budget had been presented and three public hearings were held for resident comments. He stated the proposed budget include funds to maintain the city services as well as additional funds for infrastructure. He stated the additional funds total approximately \$400,000 to be used to address drainage. Also included in the proposed budget is a fund transfer from the Debt Service Fund. The total of the additional tax funds and the Debt Service Fund transfer is \$700,000.

Councilmember Wiener stated there is a strong consensus by the residents against the proposed budget. He stated the intention of the additional funds would be for quicker action on drainage issues. He stated the specific drainage projects will be identified by the drainage study now underway.

Councilmember Woodruff stated that residents are concerned about drainage but do not see a drainage plan. He stated the city could collect funds now in order to have the money available to work on drainage projects. He stated the residents would rather wait to see a drainage plan before funds are collected. Bond funds are an option for a long-term investment. Hedwig Village needs a comprehensive drainage plan.

Councilmember McGinnis stated the residents want to see a drainage plan. The city has done studies in the past 20 years but those studies are out of date and obsolete. The city cannot create drainage plans without a current study. He stated he is in favor of a study that incorporates previous studies to create an up-to-date study to identify specific projects. He stated the residents comments that he heard several times were (1) sticker shock over the \$0.04 cent tax increase, (2) too many drainage studies already, and (3) residents want a specific plan on what the money will be spent on. He stated the drainage study will be a phased study and will identify viable projects. If no viable projects can be determine, the city will not proceed to phase two. He stated he has a version of the proposed budget that would limit the amount of money spent on the drainage study.

Councilmember Putterman stated the proposed 2017 Budget has specifics and a corresponding tax rate. He stated if there is a desire to modify the proposed budget after hearing the public comments then council will need the specific proposals that outline the funds and possible moving of funds that would ultimately lower the proposed tax rate.

Councilmember Johnson stated that council should listen to the resident's comments. He stated he has experienced budgeting large projects and he anticipates the city spending \$700,000 on drainage projects. He stated the public hearings were well attended. The residents were overwhelming against the tax increase. He stated the objections were (1) the \$700,000 non-specific infrastructure budget, (2) the three and a half percent salary increase, and (3) personnel increase of an additional officer at the police department. He stated he was against the personnel increase for the police department at this time. He stated council has an alternative budget to review.

Mayor Muecke stated he has no vote but does hear what the residents have to say. The city should make a commitment to improve infrastructure. The residents have complained about the drainage study but the city has not had a comprehensive drainage study done since the mid 1990's. Most resident comments were against the tax increase but residents want drainage issues corrected. He stated he was in favor of the tax increase. He stated that since the public hearings began additional residents have informed the city that their homes have flooded which increases the total number of homes that have flooded recently to 27. He stated council needs to decide on the tax

increase based on the impact of the tax increase to residents on fixed incomes versus residents whose homes may continue to flood without the tax increase. He stated the area around the city has changed since 1954 and the area municipalities are correcting their flooding issues. The opportunity to partner with the other area entities to correct drainage is closing. He stated the city needs to start appropriating funds to correct our drainage and flooding issues.

Councilmember Woodruff stated the study was already authorized and will incorporate previous studies. He stated the tax increase will not fund major flooding solutions but will allow the city to fund smaller projects.

Mayor Muecke stated any major drainage projects will require the issue of bonds of several millions dollars.

Mayor Muecke called for a vote on the proposed budget.

Councilmember Johnson moved, Councilmember Putterman seconded, to adopt the 2017 Proposed Budget.

Councilmembers Johnson, McGinnis, Putterman, Wiener and Woodruff voted "No", "Ayes" none.

MOTION DID NOT CARRY

Mayor Muecke led a discussion on the Rollback Rate Budget without additional money for infrastructure. The Rollback Budget has a tax rate of approximately \$0.208292. This budget would include all city services as previous budgets, hiring a new officer, moving funds from the Debt Service Fund, and \$100,000 for infrastructure maintenance, but no additional funds for drainage investments.

Kelly Johnson clarified that with the Rollback Rate Budget the money from the Debt Service account will not transfer into another account for infrastructure use. The money will be used to pay down the debt.

Mayor Muecke called for a vote on the Rollback Rate Budget.

Councilmember Johnson moved, Councilmember Putterman seconded, to adopt the 2017 Rollback Rate Budget.

Councilmembers Johnson, McGinnis, Putterman, Wiener and Woodruff voted "No", "Ayes" none.

MOTION DID NOT CARRY

Mayor Muecke opened discussion on an alternative budget.

Councilmember McGinnis discussed an alternative budget he created. He gave all councilmembers a copy. Councilmember McGinnis stated his alternative has 3 significant changes.

- a. Infrastructure – reduce from \$700,000 in other budget versions to 400,000. A drainage study needs to be updated because there has been too much development in the area in the past.
- b. Drainage – increase from \$100,000 to \$150,000 to work on small isolated projects and routine maintenance.
- c. Update, modify, combine previous drainage studies into one large study and from that possibly identify a significant solution to the drainage issues in the city. If a solution is found, the next step would be to do the engineering and to determine feasibility and cost.

Councilmember McGinnis stated his version of the budget would delay the hiring of the new officer and delay the purchase of a new vehicle for Chief Gott. The expense for these two items would reduce the police department expenditures by \$106,000. The funds needed to pay for these expenses would have been paid for out of METRO money so there is no effect on the budget.

Councilmember McGinnis stated his budget would have a tax rate of \$0.222500, an increase of \$.01 over the current tax.

Councilmember McGinnis stated drainage must be a partnership with other entities to find a solution to the city's flooding issues.

Councilmember McGinnis moved, Councilmember Putterman seconded, to adopt the budget, with a tax rate of \$0.222500, as presented by Councilmember McGinnis.

Councilmember Woodruff clarified the budgeted amount, as explained by Councilmember McGinnis, for drainage and infrastructure would increase by \$400,000. This amount would be split between small drainage projects (\$150,000), streets and right-of-way maintenance (\$150,000), and the drainage study (up to \$100,000).

Councilmember McGinnis explained his decision to delay hiring a new officer and the purchase of a new vehicle for Chief Gott. He stated he believes drainage is more critical.

Mayor Muecke stated the police department has a single detective, Detective Collins, who is assisted by Officer Wu on occasion. Detective Collins and Officer Wu are responsible for trying to solve 177 Type 1 crimes per year. He stated Detective Collins

and Officer Wu have a workload more than twice a detective from a comparative police department such as Spring Valley, West University, or Memorial Villages.

Councilmember Woodruff stated he sees a police department as having two functions – preventing crime and solving crime. He stated the Hedwig Village Police Department is heavily focused on preventing crime with our patrol units and uniformed officers on the street. When a crime has occurred, the police department has the duty to investigate and solve the crime. He stated the major question is not the number of police officers the city has per citizen but how many major crime cases the city has per detective. He stated that if the city were to look at the number of cases per detective, the department is under-staffed. The question then becomes how important is it to solve a crime. He asked Chief Gott what constitutes a category 1 crime.

Chief Gott stated a category 1 crime is a major crime such as murder, theft, sexual assault, burglary, etc. He stated to re-allocate manpower means pulling an officer from the street patrol. He stated another detective would allow the detectives to be more effective.

Councilmember McGinnis asked if part-time employees could help the detective and the officers with the paperwork.

Chief Gott stated the paperwork needs to be completed by the officer.

Mayor Muecke stated Councilmember McGinnis's alternative budget has a tax rate of \$0.222500, which is an increase of \$0.01 above the current tax rate. He stated he was in favor of hiring a new officer.

Kelly Johnson, City Administrator, stated the new officer's salary and benefits would be paid out of METRO funds.

Mayor Muecke, Councilmembers, and Kelly Johnson discussed the possibility of not increasing the drainage budget by \$150,000 as mentioned in Councilmember McGinnis's alternative budget.

Councilmember Woodruff stated he is in favor of hiring a new police officer and council should try to fund that expense within the confines of Councilmember McGinnis's alternative budget.

Councilmember Woodruff stated the alternative budget submitted by Councilmember McGinnis includes a \$0.01 tax increase and a re-allocation of funds for a total of \$400,000 for drainage. He asked if the city should use the additional \$400,000 for infrastructure or apply \$106,000 to the police department for the new officer.

Mayor Muecke clarified that the \$400,000 that Councilmember Woodruff is discussing includes \$100,000 in new tax funds and \$300,000 transferred from the Debt Service account. He stated the new officer would be a recurring expense for the city. He is opposed to using any of Debt Service funds to pay for recurring expenses.

Councilmember Woodruff stated the \$0.01 tax increase would generate approximately \$100,000 in additional funds for the city.

Councilmember Wiener asked Councilmember McGinnis if the \$100,000 additional funds generated by the \$0.01 tax increase would be used for drainage studies. He stated the additional funds would not be enough to do any drainage project.

Councilmember McGinnis clarified that the additional \$100,000 would be used to update, modify, or expanding studies that are already completed. It also may include an additional new study.

Mayor Muecke stated the additional \$100,000 raised from the increased tax rate would be combined with the \$147,000 already budgeted in the 2016 Budget to fund the drainage study already approved by council.

Councilmember Wiener stated he also is in favor of hiring a new officer. He stated the residents are proud of Hedwig Village due to the safety provided by the police department and the quality of the police work. He stated that the world is getting more complicated and the police department needs the resources for higher level police work. He believes council should try to find a way to fund infrastructure as well as fund the new officer.

Mayor Muecke summarized the comments concerning Councilmember McGinnis's alternative budget. The alternative budget has a tax rate of \$0.222500 and will have approximately \$100,000 additional money for infrastructure projects. Additional money for infrastructure will involve a transfer from the Debt Service Fund.

Mayor Muecke stated again he was in favor of adding the new officer.

Councilmember McGinnis stated there are other ways of generating the funds needing to provide for an additional officer for the police department. He stated his alternative budget does provide for salary increases for city staff. The alternative budget does address the resident's concerns regarding the proposed \$0.04 tax increase. The alternative tax rate would need to be increase slightly to allow for the new officer.

Councilmember Putterman stated the residents have a bigger concern regarding drainage. The drainage solution will most likely be a series of projects. The city will need to make hard decisions to address drainage that fit within the tax rate.

Councilmember Woodruff stated the resident's object to funding drainage projects without knowing what the projects are. He believes the city should find a way to fund the new officer. He stated the residents would not be upset about getting improved police services. He stated Councilmember McGinnis's alternative budget provide an additional \$100,000 for maintenance of the city's infrastructure and provide funds to determine any long-term solutions to the drainage issues. When the drainage solutions are identified, the city can determine funding either with next year's budget allocations or a bond proposal. He suggested amending Councilmember McGinnis's alternative budget to allow for funding the new officer position as well as providing a reduced amount of \$300,000 for infrastructure and drainage maintenance and drainage studies.

Kelly Johnson, City Administrator, clarified the current motion for vote is for a tax rate of \$0.222500 which is Councilmember McGinnis's alternate proposal. The alternate proposal does not include the new officer position or the vehicle for Chief Gott. It also outlines certain expenditures. It will provide the city an additional \$396,990 for infrastructure for one year.

Councilmembers Johnson, McGinnis, and Putterman voted "Yes". Wiener and Woodruff voted "No".

MOTION CARRIED

- B. The 2016 PROPOSED MAINTENANCE AND OPERATING TAX RATE TO FUND THE 2017 BUDGET.**

Kelly Johnson, City Administrator, stated the Maintenance and Operating Tax Rate will be \$0.182954/\$100.

Councilmember Woodruff moved, Councilmember McGinnis seconded, to adopt the Maintenance and Operating Tax Rate of \$0.182954/\$100 to fund the 2017 Budget.

Councilmembers Johnson, McGinnis, Putterman, Wiener, and Woodruff voted "Aye", "Noes" none.

MOTION CARRIED UNANIMOUSLY

- C. The 2016 PROPOSED DEBT RATE TO FUND THE 2017 DEBT OBLIGATION.**

The Debt Services Tax Rate will be \$.039546/\$100.

Councilmember Woodruff moved, Councilmember Wiener seconded, to adopt the Debt Service Tax Rate of \$.039546/\$100.

Councilmembers Johnson, McGinnis, Putterman, Wiener, and Woodruff voted “Aye”, “Noes” none.

MOTION CARRIED UNANIMOUSLY

- D. TO RATIFY THE AD VALOREM PROPERTY TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 38.51 PERCENT AND WILL RAISE TAXES FOR MAINTENACE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$41.71.**

Councilmember Woodruff moved, Councilmember Putterman seconded, to ratify the Ad Valorem Property Tax Rate that will raise more taxes for Maintenance and Operations than last year’s tax rate. The tax rate will effectively be raised by 38.51 percent and will raise taxes for Maintenance and Operations on a \$100,000 home by approximately \$41.71.

Councilmembers Johnson, McGinnis, Putterman, Wiener, and Woodruff voted “Aye”, “Noes” none.

MOTION CARRIED UNANIMOUSLY

- E. AN ORDINANCE PROVIDING FOR THE ASSESSMENT, LEVY, AND COLLECTION OF AD VALOREM TAXESFOR THE YEAR 2016; PROVIDING THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND PAYABLE; PROVIDING FOR THE PENALTY AND INTEREST ON ALL TAXES NOT TIMELY PAID; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINACNES IN CONFLICT HEREWITH.**

Councilmember Woodruff moved, Councilmember McGinnis seconded, to adopt Ordinance #687 as presented to Council with the following amendments:

- Third Whereas clause – Maintenance and Operating Tax Rate should be amended to read \$0.182954/\$100
- Section Three – specify the same rate as the tax rate for general use and purpose
- Section three, the All Caps section – amend the wording to read “The tax rate will effectively be raised to 38.51 percent and will raise taxes on maintenance and operations on a \$100,000 home by approximately \$41.71.”
- Section Five – amend the wording to read “All ad valorem taxes levied hereby, in the amount of twenty-two and 2500/10,000ths cents (\$0.222500) on each one hundred dollars (\$100)”

Councilmembers Johnson, McGinnis, Putterman, Wiener, and Woodruff voted "Aye", "Noes" none.

MOTION CARRIED UNANIMOUSLY

Councilmember Woodruff moved, Councilmember Putterman seconded, to ratify the Ordinance previously adopted so the record reflects the Ordinance was adopted after the tax rate was ratified.

Councilmembers Johnson, McGinnis, Putterman, Wiener, and Woodruff voted "Aye", "Noes" none.

MOTION CARRIED UNANIMOUSLY

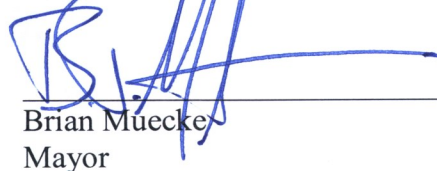
3. ADJOURNMENT

Councilmember McGinnis moved, Councilmember Putterman seconded, to adjourn the meeting at 11:01 a.m.

Councilmembers Johnson, McGinnis, Putterman, Wiener and Woodruff voted "Aye", "Noes" none.

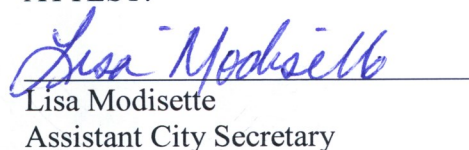
MOTION CARRIED UNANIMOUSLY

Approved and accepted on December 8, 2016.



Brian Muecke
Mayor

ATTEST:



Lisa Modisette
Assistant City Secretary