



**CITY OF HEDWIG VILLAGE, TEXAS  
SPECIAL CITY COUNCIL MEETING  
WEDNESDAY, MARCH 28, 2018  
4:00 P.M. - 955 PINEY POINT ROAD**

**MINUTES**

**Items on the Agenda were discussed  
out of order during the meeting**

**1. CALL TO ORDER**

Mayor Muecke called the meeting to order at 4:01 p.m.

Present: Mayor Brian Muecke

Councilmember Carrol McGinnis  
Councilmember Barry Putterman (left at 5:55 p.m.)  
Councilmember Shirley Rouse  
Councilmember Bob Wiener  
Councilmember Matt Woodruff

Kelly Johnson, City Admin./Secr.-Treasurer  
Lane Standley, Building Official  
Alan Petrov, City Attorney  
Lisa Modisette, Assistant City Secretary

Absent: Chief David Gott

- 2. An Ordinance of the City of Hedwig Village, Texas, adopting Amendment No. 1 to the Original Budget of the City of Hedwig Village, Texas, for the Year 2017; providing detailed line item increases or decreases; providing for severability; and containing other provisions relating to the subject.**

Kelly Johnson, City Administrator/City Secretary-Treasurer, discussed the budget amendment. She stated the amendment aligns the budget to actual expenditures in 2017. She stated there was a balance sheet move of funds from the Child Safety Fund to cover certain expenditures. She stated projects carry over from year to year and there was a balance fund transfer to cover those expenses.

Councilmember McGinnis asked Alan Petrov, City Attorney, what his recommendation is on how frequently the city should do a budget amendment.

Alan Petrov stated his recommendation would be to do an amendment quarterly. He stated many cities do a budget amendment quarterly while other cities do an amendment at the end of the year. He stated all adjustments are required to be filed with the county. He stated if a city has a large unexpected expenditure during a fiscal year than an amendment should be

done. An amendment would not be necessary if there are minor expenses or moving funds within a department.

Kelly Johnson stated the city auditors recommended an annual amendment due to the possible confusion frequent amendments can cause.

Councilmember Rouse asked Kelly Johnson to provide council with a quarterly budget analysis. She stated there is a \$121,000 difference in expenses between the original budget and the amended budget. She suggested the city should implement better spending controls.

Councilmember Rouse moved, Councilmember Woodruff seconded, to approve Amendment No. 1 to the original budget for Fiscal Year 2017.

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

**MOTION CARRIED UNANIMOUSLY**

3. Presentation by US Capital Advisors and associated discussion of Village Fire Department financing.

Jim Gilley, US Capital Advisors, discussed the city's options to fund the City of Hedwig Village's portion of the Village Fire Department (VFD) renovation. In his opinion, Tax Notes are the best option. He stated Tax Notes are simple. There are posting requirements and the city would need to pass an ordinance. The notes mature seven years after the Texas Attorney General (AG) approves the Tax Notes.

Mayor Muecke stated council would need to approve the Tax Notes by mid-August in order for the notes to be included in the 2018 Ad Valorem Tax Rate and the 2019 Budget.

Councilmember McGinnis asked if voters and AG approval is needed for Tax Notes.

Alan Petrov stated voter approval is not needed but approval by the AG is required.

James Gilley, US Capital Advisors, discussed the possible terms of the Tax Notes. He discussed possible call dates for pay off of the notes. He stated the market is favorable to this type of note. He stated the ad valorem tax rate would possibly increase by two percent to four percent, depending on the terms of note.

Councilmember Woodruff asked if having this type of debt would affect the city issuing bonds for a drainage project.

Jim Gilley stated there should be no effect on the city's ability to issue bonds.

Councilmember Wiener asked for an opinion on the city paying off the notes in two years or possibly longer.

Jim Gilley stated it would be better for the city to pay off the debt early.

4. Discussion and possible action on Budget Amendments for the 2018 Budget resulting from the reduction on the 2017 Tax Rate.

Mayor Muecke provided a balanced budget spreadsheet to all councilmembers with reductions and increases to several 2018 Budget line items. Those line items include, but are not limited to, the following:

- A decrease to the Ad Valorem tax collections
- An increase to telecommunications for the Police Department
- An increase to plan checking and inspections
- An increase to group health insurance for most departments
- An increase to tax assessing and collection
- An increase in police equipment
- An increase to court overtime
- An increase to election expense
- An increase to dental insurance for most departments
- An increase in payroll taxes for court
- An increase in longevity pay for several departments
- An increase in fire and ambulance
- An increase in workers compensation
- A decrease in printing & stationary for several departments
- A decrease in salaries in most departments
- A decrease in office supplies in several departments
- A decrease in jury fees
- A decrease in payroll taxes in several departments
- A decrease in utilities, including street lighting, in several departments
- A decrease in education/meetings and travel for the Police Department
- A decrease in the holiday open house
- A decrease in gasoline for a city vehicle in the Building Department
- A decrease in garbage collection
- A decrease to retirement contribution for the Police Department
- A decrease in special security overtime
- A decrease in professional services
- A decrease in consultants

The spreadsheet also included the removal of the Village Fire Department (VFD) Facility Improvement to be funded by debt through tax notes. The spreadsheet included the proceeds from debt issuance, including all associated fees, and moving funds into a General Operating Reserve.

Mayor Muecke requested councilmembers make additional suggestions to reduce budget line items with those savings going into a General Operating Reserve.

Mayor and Councilmembers discussed the 2018 estimated sales tax, prioritizing expenses, the opportunities to reduce expenses, building a reserve, the difference between mandatory and discretionary spending, and excess budget funds rolling to reserves at the end of the year.

Councilmember McGinnis stated the city has an issue controlling expenses. He stated the 2018 Rollback Budget presented by Kelly Johnson, City Administrator/City Secretary-Treasurer, is nine percent higher than the 2017 Amended Budget. He stated the four police vehicles could have been postponed and the Building Official's vehicle should be postponed until a later date.

Councilmember Woodruff stated the approved 2018 Budget includes another police officer and the purchase of four vehicles to catch up on the vehicle purchasing schedule.

Mayor Muecke asked for a vote on accepting his balanced budget before further reductions are made.

Councilmember Woodruff moved, Councilmember Wiener seconded, to approve the 2018 Budget Amendment No. 1 as proposed by Mayor Muecke for the purpose of starting the discussion on additional amendments under consideration today.

Councilmembers Putterman, Rouse, Wiener, and Woodruff voted "Aye", Councilmember McGinnis voted "No".

**MOTION CARRIED**

Councilmember McGinnis moved, Councilmember Rouse seconded, to postpone purchasing the Building Official's vehicle until the 2019 Budget and decrease line item 507-808, Vehicles/City, by \$25,000 and increase the Operating Reserve line item.

There was discussion of the age, mileage, and repairs to the Building Official's vehicle. The vehicle is a 2013 with 165,000 – 170,000 miles. There have been no repairs to the vehicle this year. Lane Standley pays \$75.00 per paycheck to offset the city's fuel expense.

Councilmember Putterman suggested eliminating the \$150 per month expense from Lane Standley's paycheck. There was no council support.

Councilmembers McGinnis, Putterman, Rouse, and Woodruff voted "Aye", Councilmember Wiener voted "No".

**MOTION CARRIED**

Councilmember McGinnis asked for details for the traffic signal control and cabinet in the amount of \$36,400. Kelly Johnson stated this expense would be paid for out of the Child

Safety Fund. The traffic signal control cabinet has been struck by vehicles several times and needs to be moved further away from the street corner. Councilmember McGinnis asked why the Plan Check and Inspection line item increased. Mayor Muecke stated the increase is due to the increase in inspections the city inspectors will conduct at the new medical building being built on the east side of the city.

Councilmember Woodruff moved, Councilmember Wiener seconded, to adopt the associated revenues for the increase in court fines and penalties, account 4501, in the amount of approximately \$12,915 and the increase in permit fees, account 4301, in the amount of \$4,400 with the offset to the Operating Reserve line item.

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

**MOTION CARRIED UNANIMOUSLY**

Councilmember McGinnis asked why the Police Equipment line item, 503-807, increased \$8,000 from the 2018 Adopted Budget to the 2018 Balanced Budget councilmembers were currently working on. He asked why the purchases could not be phased in over a two year period.

Mayor Muecke stated the equipment was requested and needed by the police department for responding to school or mass shooting incidents.

Councilmembers discussed possible reductions to Computer Services, 509-328, Computer Equipment, 501-803 and 503-803, and the Holiday Open House, 508-319. No motion was made.

Councilmember Rouse moved, Councilmember McGinnis seconded, to reduce the City Landscaping line items, 506-801 and 511-801, by \$5,000 each and increase the Operating Reserve line item by \$10,000.

Councilmembers McGinnis, Rouse, and Woodruff voted “Aye”, Councilmember Wiener voted “No”.

**MOTION CARRIED**

Councilmember McGinnis moved to eliminate the Holiday Open House, 508-319, for 2018 and address the topic for next year. The reduction of this account by \$6,500 would increase the Operating Reserve by the same amount. There was no second for this motion. Councilmember McGinnis withdrew his motion.

Councilmembers Rouse and Woodruff are in favor of holding an appreciation event for the benefit of city volunteers and staff.

Councilmember Rouse moved, Councilmember McGinnis seconded, to reduce the Holiday Open House, 508-319, by \$4,000 and increase the Operating Reserve by the same amount.

Councilmembers McGinnis and Rouse voted "Aye", Councilmembers Wiener and Woodruff voted "No". Mayor Muecke voted "No" to break the tie.

**MOTION DID NOT CARRY**

5. Discussion and possible action regarding a resolution of the City Council of the City of Hedwig Village, Texas, declaring official intent to reimburse expenditures from proceeds of Tax-Exempt Obligations.

Councilmember Wiener asked Jim Gilley to explain the purpose of tax exempt obligations. He stated that passing the resolution would give the city additional options for possible funding.

Jim Gilley stated the resolution, if passed, would give the city the option to reimburse for expenses paid prior to the issuance of the debt. The resolution would not obligate the city to issue debt.

Alan Petrov stated the city cannot reimburse expenses without first declaring the intent to do so. He stated other cities do this often. The time frame for reimbursement of expenses is 18 months prior to the resolution being passed.

Mayor Muecke stated it gives the city the option if something unexpected happened within the city.

Councilmember Wiener moved to approve the resolution declaring official intent to reimburse expenditures from tax exempt obligations. There was no second.

Councilmember Woodruff moved, Councilmember Rouse seconded, to table the resolution.

Councilmembers Rouse, Wiener, and Woodruff voted "Aye", Councilmember McGinnis voted "No".

**MOTION CARRIED**

6. A Resolution of the City of Hedwig Village, Texas, providing for the establishment of a schedule of Municipal Court fines and penalties; providing for the assessment and collection of fines and penalties for offenses and charges, as authorized by Texas law; repealing all or parts of other fee schedules inconsistent or in conflict herewith.

Kelly Johnson, City Administrator/City Secretary-Treasurer, reviewed the proposed fine and penalty increases. She stated the increase is ten percent plus rounding up to the next whole dollar. She recommended an increase to all fines and penalties.



Councilmember Woodruff moved, Councilmember Putterman seconded, to approve an increase of court fines and penalties by ten percent plus such sum as is necessary to round up to the next dollar.

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

**MOTION CARRIED UNANIMOUSLY**

7. A Resolution of the City of Hedwig Village, Texas, providing for the establishment of a schedule of fees for building and construction services as well as contractors registration; repealing all or parts of other fee schedules inconsistent or in conflict herewith.

Kelly Johnson, City Administrator/City Secretary-Treasurer, reviewed the proposed increase to the building fees. She stated the increase consists of an increase to the base permit fee plus an incremental increase for every \$1,000 of construction valuation. The increase would affect commercial and residential construction. The fee for inspections would increase from \$70 to \$80 per inspection.

Councilmember Woodruff stated the proposed permit increase would better compensate city staff for their time.

Councilmember Rouse moved, Councilmember Putterman seconded, to approve the increase as presented for permit fees.

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

**MOTION CARRIED UNANIMOUSLY**

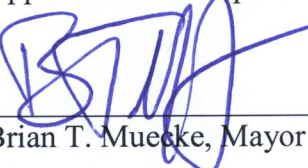
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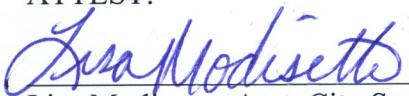
Councilmember Woodruff moved, Councilmember McGinnis seconded, to adjourn the meeting at 6:24 p.m.

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

**MOTION CARRIED UNANIMOUSLY**

Approved and accepted on June 20, 2018.

  
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Brian T. Muecke, Mayor

ATTEST:  
  
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Lisa Modisette, Asst. City Secretary