



**CITY OF HEDWIG VILLAGE, TEXAS
SPECIAL CITY COUNCIL MEETING
BUDGET WORKSHOP
AUGUST 28, 2020
10:00 A.M. - 955 PINEY POINT ROAD**

MINUTES

In accordance with Governor Abbott's Executive Order dated March 16, 2020 and continued by Executive Orders dated April 12, 2020, May 12, 2020, June 11, 2020, July 10, 2020 and August 8, 2020 relating to the COVID-19 pandemic and the need to minimize face-to-face contact, the City of Hedwig Village held the August 28, 2020 meeting in person with some participants joining the meeting via Zoom, as noted below.

1. CALL TO ORDER

Mayor Muecke called the meeting to order at 10:01 a.m.

Present: Mayor Brian T. Muecke

Councilmember Harry J. Folloder	Kelly Johnson, City Admin./Secr.-
Councilmember Dane Johnson (via phone)	Treas.
Councilmember Susan Mathews	David Gott, Police Chief
Councilmember Shirley Rouse	Lisa Modisette, Asst. City Secr..
Councilmember Matt Woodruff (via phone)	

Absent: None

2. DISCUSSION AND POSSIBLE ACTION ON A PROPOSED TAX RATE THAT WILL EXCEED THE NO NEW REVENUE TAX RATE.

No discussion.

3. DISCUSSION REGARDING THE PROPOSED 2021 BUDGET.

Kelly Johnson, City Administrator, discussed the Voter Approval Rate and the De-Minimis Rate and how they would affect the budget.

The Voter Approval Rate (VAR) is \$0.351374 and the City would possibly need to use funds from the 2020 Tax Note. The Ad Valorem property tax revenue increase would be approximately \$217,000.

The De-Minimis Rate (DMR) has the option for the residents to petition to hold an election. The petition would require a minimum of three percent of the registered voters. The DMR is \$0.374927. The City would not need to use any of the 2020 Tax Note funds. The Ad Valorem property tax revenue increase would be approximately \$473,000.

Councilmember Rouse asked about the proposed salary increase for City staff. She asked if the staff salaries are at market value. She stated several companies in the private sector have cut salaries this year.

Chief Gott and Kelly Johnson stated the City conducts surveys with other cities in the area in an effort to remain competitive. Chief Gott stated other police departments are slightly ahead of the City regarding officer salaries. Kelly Johnson stated the area cities have budgeted a four percent salary increase. Councilmember Folloder stated the workforce environment makes it difficult to hire and retain good talent.

Councilmember Mathews asked about the employee health insurance and the City infrastructure.

Kelly Johnson stated the proposed health insurance increase is fifteen percent. The actual health insurance expense could possibly be lower. The proposed 2021 Budget does not include any funds for infrastructure due to the possible bond the City might issue to cover the proposed paving and drainage project.

Councilmembers discussed the use of funds from the 2020 Tax Notes for routine City expenses. Councilmember Woodruff stated the purpose of the 2020 Tax Note was to cover any loss of revenue. The 2020 Tax Note could be used to lower the proposed tax rate. The tax rate should be used to cover operating expenses.

Councilmember Rouse asked Mayor Muecke about future funding for the paving and drainage project. Mayor Muecke stated the City could access the bond market if needed.

Councilmember Rouse stated the City could look at creating a drainage fee for the property owners in the City. The fee could be based on any number of factors, such as or square footage. She stated the City could generate funds for drainage projects using a drainage fee. She stated the fee would be earmarked for drainage and would be equitable to the residents. She stated the City would need to have an enabling ordinance to authorize the drainage fee and another ordinance to set the parameters.

Mayor Muecke asked Kelly Johnson to look into the drainage fee.

Councilmember Mathews asked about the budgeted amounts for the beautification and hike and bike line items.

Kelly Johnson stated some of the funds for those two line items come from the METRO funds the City receives.

Councilmember Mathews requested further discussion on the proposed budget after the Public Hearing.


Kelly Johnson stated the Public Hearing is scheduled for September 10, 2020 at 6:00 p.m. City Council could further discuss the budget after the public hearing. A Special Council meeting is scheduled for September 17, 2020 at 6:00 p.m. for the adoption of the budget and the tax rate.

4. ADJOURN

Motion was made by Councilmember Folloder and seconded by Councilmember Rouse to adjourn the meeting at 10:47 a.m. Motion carried 5-0.

MOTION CARRIED UNANIMOUSLY

Approved and accepted on September 17, 2020.



Brian T. Muedcke, Mayor

ATTEST:



Lisa Modisette, Asst. City Secretary