



**CITY OF HEDWIG VILLAGE, TEXAS
SPECIAL CITY COUNCIL MEETING
BUDGET WORKSHOP
FRIDAY, AUGUST 31, 2018
8:30 A.M. - 955 PINEY POINT ROAD**

MINUTES

1. CALL TO ORDER

Mayor Muecke called the meeting to order at 8:30 a.m.

Present: Mayor Brian Muecke

Councilmember Harry J. Folloder
Councilmember Dane Johnson
Councilmember Barry Putterman
Councilmember Shirley Rouse
Councilmember Matt Woodruff

Kelly Johnson, City Admin./Secr.-Treasurer
David Gott, Police Chief
Lisa Modisette, Assistant City Secretary

Absent: None

2. DISCUSSION REGARDING THE PROPOSED 2019 BUDGET

Mayor Muecke reviewed the discussion with Hunton Andrews Kurth LLP, the City's Bond Counsel, during the Budget Workshop held on August 22, 2018. The discussion regarded tax notes the city is considering issuing for the Village Fire Department's (VFD) upcoming capital improvement expenses. The term sheet for the tax notes has gone out to approximately ninety banks. A revised term sheet was sent out to the banks in an effort to answer questions the banks had regarding the tax notes. The city is considering \$1,030,000 million in tax notes to cover the VFD capital improvement expenses, the final two payments to Texas Department of Transportation (TxDOT) for the noise reduction project, equipment reserves, and the tax notes issuance costs.

The city received the certified tax rolls from the Harris County Appraisal District. The taxable property values for the city for 2018 are \$1,028,701,959.

Mayor and council discussed the updated proposed tax rates, the changes to the proposed 2019 Budget based on the certified tax rolls, the sales tax estimates and the possible volatility of the sales tax revenue, and preparing for any emergencies. The city needs to have a long term fiscal plan in place to fund expenses without requiring the issuance of debt.

Kelly Johnson, City Administrator, stated the proposed 2019 Budget does not have funds for capital street/drainage improvements. She stated streets and drainage will need work eventually and the city is not prepared for any extensive infrastructure work.

Mayor Muecke stated the city must publish the proposed tax rate and the city cannot adopt above the published proposed tax rate.

Mayor Muecke discussed Senate Bill 2 (SB2) from the last Texas legislative session. SB2, if passed, would have required municipalities to hold an election if the tax rate exceeds the previous year's tax rate by anything other than a modest amount. SB2 did not pass but there is a possibility of another similar bill being filed for the next session.

3. DISCUSSION AND POSSIBLE ACTION ON PROPOSED TAX RATE THAT WILL EXCEED THE EFFECTIVE TAX RATE

Mayor and councilmembers agreed the city needs to have a long term fiscal plan and needs to increase its reserves. A proposed tax rate of \$0.306654 per \$100 of valuation would balance the proposed 2019 Budget and would include \$195,000 for the equipment reserve.

Mayor Muecke stated the Village Fire Department (VFD) and the City of Hedwig Village would know by September 30, 2018 if the City of Bunker Hill Village votes to exit the VFD interlocal agreement. The city's portion of the VFD budget would increase if the City of Bunker Hill Village decided to leave the VFD at the end of 2018. The city would use the reserves, if needed, to cover the increase in the city's assessment to the VFD.

Councilmember Johnson moved, Councilmember Folloder seconded, to adopt the proposed property tax rate of \$0.306654 cents per \$100 for 2018 with public hearings for input scheduled for 6:00 p.m., September 20, 2018 and 8:30 a.m., September 28, 2018.

Councilmembers Folloder, Johnson, Putterman, Rouse, and Woodruff voted "Aye", "Noes" none.

MOTION CARRIED UNANIMOUSLY

4. SET SCHEDULE FOR TWO PUBLIC HEARINGS

Council scheduled public hearings to be held on September 20, 2018 at 6:00 p.m. and September 28, 2018 at 8:30 a.m.

The budget meeting scheduled for 8:30 a.m. on October 5, 2018 will be rescheduled for 3:00 p.m. on October 2, 2018.

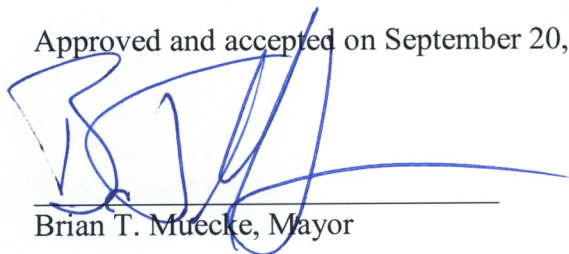
5. ADJOURN

Councilmember Johnson moved, Councilmember Rouse seconded, to adjourn the meeting at 10:25 a.m.

Councilmembers Folloder, Johnson, Putterman, Rouse, and Woodruff voted "Aye", "Noes" none.

MOTION CARRIED UNANIMOUSLY

Approved and accepted on September 20, 2018.



Brian T. Muecke, Mayor

ATTEST:



Lisa Modisette, Asst. City Secretary