



CITY OF HEDWIG VILLAGE, TEXAS  
SPECIAL CITY COUNCIL MEETING  
BUDGET WORKSHOP  
JULY 20, 2022  
6:30 P.M. - 955 PINEY POINT ROAD

MINUTES

**1. Call to Order**

Mayor Jinks called the meeting to order at 6:36 p.m.

Present: Mayor Tom Jinks

Councilmember Scott Davis

Councilmember Patrick J. Breckon

Councilmember Shirley Rouse

Councilmember Clay Trozzo

Wendy Baimbridge, City Administrator

David Gott, Police Chief

Lisa Modisette, City Secretary

Alan Petrov, City Attorney

Absent: Councilmember Matt Woodruff

**2. Citizen/Visitor Comments**

Andrea Hermann, 930 Karos Lane, questioned the need of all employees getting a raise in the proposed 2023 budget. She stated a new employee was recently hired and two other employees received a pay raise.

**3. A Resolution of the City of Hedwig Village, Texas regarding a request from the Village Fire Department Board of Commissioners to approve the Proposed 2021 Inter-Budgetary Transfers to cover a deficit in the amount of \$120,822.**

Councilmember Trozzo thanked Wendy Baimbridge, City Administrator, for the additional information regarding the Village Fire Department (VFD) proposed 2021 Inter-Budgetary Transfers and the deficit. He stated the totals listed in the spreadsheet recently received from the VFD do not match the information received in June 2022. The spreadsheet is not clear based on standard accounting practices. There was a fund balance of \$70,187.00 at the beginning of the 2021 budget year that was either spent or transferred into another account but the most recently received spreadsheet does not show what the funds were spent on or what account the funds were transferred to. The fire department did not provide accounting for all their accounts, such as their Capital Replacement Fund.

Mayor and Councilmembers discussed the policy and procedure the Village Fire Department should follow to present items regarding the department budget that require a vote by the participating Villages. It was understood that the fire department did not follow their own policy and procedures regarding the budget items under discussion. Councilmembers suggested presenting a letter to the Fire Commissioners to address the department's lack of following their own budget policy or the procedures as stated in the Interlocal Agreement.

Alan Petrov, City Attorney, stated the Interlocal Agreement between the Villages created a procedure, presentation, timeline, and approval process for budgets and inter-budgetary transfers. The Interlocal Agreement does address procedures for the approval of inter-budgetary transfers if the budget's bottom line remains the same. In theory, the VFD should

request, and receive, approval to spend funds in excess of the already approved budget. The approval should be a majority vote of the participating Villages. The Interlocal Agreement is silent on the procedure, presentation, and approval process for budget amendments.

Motion was made by Councilmember Rouse and seconded by Councilmember Trozzo to table the resolution until the August 11, 2022 City Council meeting. Motion carried 4-0.

**MOTION CARRIED UNANIMOUSLY**

- 4. A Resolution of the City of Hedwig Village, Texas regarding a request from the Village Fire Department Board of Commissioners to approve the Proposed 2022 Budget Amendment in the total amount of \$515,846 to cover an increase in personnel expenses in the amount of approximately \$475,531 and an increase in operation expenses in the amount of \$40,315.**

Wendy Baimbridge, City Administrator, stated the fire department is requesting approval of a 2022 Budget Amendment in the total amount of \$515,846. The increase is due to additional personnel cost in the amount of \$475,531 and an increase in operational expenses in the amount of \$40,315. The personnel expenses include a five percent raise for all employees, overtime to staff the second ambulance, and hiring three new employees to staff the second ambulance.

Mayor and Councilmembers discussed the proposed budget amendment. The fire department personnel have received raises and/or increased benefits, such as increases into the retirement accounts. The fire department did not provide explanations for the increase in operational expenses. Additional information will be requested from the fire department to explain all the increases.

Mayor Jinks suggested compiling a list of questions regarding the agenda items for Councilmember Woodruff, Hedwig Village Fire Commissioner, to present to the Board of Commissioners and Chief Foster at the next Commissioners meeting to be held next week.

Motion was made by Councilmember Rouse and seconded by Councilmember Davis to table the resolution until the August 11, 2022 City Council meeting. Motion carried 4-0.

**MOTION CARRIED UNANIMOUSLY**

- 5. Discussion Regarding the Proposed Hedwig Village 2023 Budget**

Mayor Jinks thanked City staff and police department staff for their work in preparing the 2023 Budget. The tax rate the budget is based on remains the same as last year. The City will cut expenses.

Wendy Baimbridge, City Administrator, discussed the Proposed 2023 Budget. The estimated revenues are conservative due to the recession. The City paid off the City Hall debt in 2022.

Revenues:

- The Ad Valorem tax is estimated to increase due to the increase in property values.
- The sales tax is estimated to increase by approximately \$60,000.

- The franchise fees are budgeted to decrease by \$45,000 compared to the previous year.
- The City will not receive any additional federal COVID funds.
- Restricted Revenue, such as Court revenue, is estimated to decrease by approximately \$400,000 compared to the previous year.
- Permit revenue is estimated to remain the same as the 2022 budget. However, there is a proposed increase in permit fees.
- Unrestricted revenue is estimated to increase by \$81,000.
- The City will establish a tree permit fund. Half of the tree fees collected will be used to offset park improvements.
- The City budgeted the ambulance reimbursement from VFD.

Expenditures:

- Four percent pay increase for all employees and an increase in retirement benefit plans contributions.
- Estimated health insurance increase of fifteen percent.
- An increase in the fire department budget to include seven percent pay raises for all employees.
- Annual fees for licensing and video storage for body cameras and in-car cameras.
- Replace two police vehicles.
- Debt service payment for 2023 in the amount of approximately \$600,000. One debt will be paid in full in 2027, the other paid in full in 2034.
- IDS estimate annual costs are estimated to be \$56,000.
- Beautification Committee budgeted \$25,000 annually. Possible projects include park renovations. Expenses include doggy waste stations, Campbell Road esplanade maintenance, city marker maintenance, and other miscellaneous projects.
- Increase reserves for equipment replacement (generators, computers, mechanical, etc. at police department and city hall) and emergencies.
- Establish a Capital Improvement Fund to fund large projects without accruing more debt:
  - \$530,000 for Infrastructure Streets and Drainage Reserves
  - \$652,000 from COVID grant fund designated to Streets and Drainage
  - \$306,990 from Streets and Drainage Fund Balance
  - \$1,834,391 from 2018 and 2020 Tax Notes for future projects
  - \$475,000 over ten years to clean all City storm sewers to improve water flow
  - Budget funds every year to increase the reserves
- Possible roadwork to be done on Tiber, Hunters Branch, and Echo Wood.

Terry Vick's contract for building and grounds maintenance expires at the end of 2022. The contracts for BBG Consulting and Accutek expire in 2023.

The various possible tax rates are:

- Current 2021 tax rate           \$0.339404 = \$0.280057 for M&O and \$0.059347 for I&S
- No-New Revenue Rate       \$0.391925 = \$0.346570 for M&O and \$0.045355 for I&S
- 0% increase in tax rate       \$0.339404 = \$0.294049 for M&O and \$0.045355 for I&S
- Voter Approval Rate at 3.5% \$0.380890 = \$0.335535 for M&O and \$0.045355 for I&S
- Voter Approval Rate at 8%   \$0.419651 = \$0.374296 for M&O and \$0.045355 for I&S

- De-Minimis Rate                      \$0.408194 = \$0.362839 for M&O and \$0.045355 for I&S

Councilmember Rouse commented on the following:

- Expressed concern that the proposed tax rate was not reduced. She stated the City Hall debt has been paid in full. She requested lowering the I&S (Interest and Sinking) portion of the tax rate but maintain the M&O (Maintenance and Operation) portion. Ad Valorem revenue would still increase due to the increase in property value.
- Questioned where the revenue from the increase in permit fees would be applied in the budget.
- The ambulance reimbursement has been retained by the fire department for the past several years. She anticipates the fire department will continue to request to keep it.
- The Court revenue is projected to decrease but the Court expenses are projected to increase. She suggested cutting Court expenses.
- Stated the Tree Permit Fund is a good idea to use a portion of the funds for park maintenance and improvements and is in support of it.
- Questioned why an increase in the Professional Services budget line item.
- The Beautification Committee should ensure that the landscaping be all-season plantings and not seasonal.
- Questioned what line item the new traffic light programming expense would be budgeted to.
- The General Fund includes a reserve for emergencies. What constitutes an emergency?
- The City has an agreement with Constellation for electric service with a set rate. The rate will not increase until the contract is renewed.

Wendy Baimbridge, City Administrator, stated the I&S portion of the proposed tax rate is lower due to reduced debt and the M&O portion is increased in order to maintain the same tax rate as last year. The revenue from the increase in permit fees will be applied to the Capital Improvement Fund. The Professional Services increase is due, in part, to a new contract with IDS for infrastructure consulting, in addition to increases for other consultants. The programming expense for the new traffic light on Echo Lane will be budgeted to the Traffic/Mitigation budget line item. The City will also budget a set amount every year for maintenance and replacement when needed. The emergency reserve could be used for unforeseen expenses, such as clean up after a natural disaster. The City will budget a set amount every year to replace City equipment when that equipment has reached the end of its life span. Budgeting and earmarking funds now will lessen the financial burden for the City when the equipment needs to be replaced.

Councilmember Trozzo suggested applying the dog registration fee to offset the doggy waste station expense.

Councilmember Breckon is in favor of reducing the tax rate but the unexpected additional expense from the fire department for the 2022 Budget and the increase in the fire department 2023 Budget would make that impractical at this time.

## 6. Discussion and Possible Action on a Proposed 2022 Tax Rate

Motion was made by Councilmember Rouse and seconded by Councilmember Trozzo to propose a tax rate of \$0.339404, which includes \$0.0.294049 for M&O and \$0.0.045355 for I&S. Motion carried 4-0.

**MOTION CARRIED UNANIMOUSLY**

**7. Schedule Public Hearing for September 8, 2022.**

Motion was made by Councilmember Rouse and seconded by Councilmember Davis to schedule a Public Hearing for the Proposed 2023 Budget and the Proposed 2022 Tax Rate for September 8, 2022 at 6:00 p.m. Motion carried 4-0.

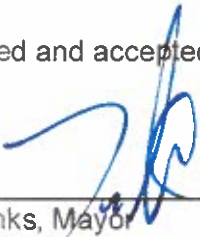
**MOTION CARRIED UNANIMOUSLY**

**8. Adjourn**

Motion was made by Councilmember Rouse and seconded by Councilmember Trozzo to adjourn the meeting at 9:30 p.m. Motion carried 4-0.

**MOTION CARRIED UNANIMOUSLY**

Approved and accepted on August 11, 2022.

  
\_\_\_\_\_  
Tom Jinks, Mayor

ATTEST:

  
\_\_\_\_\_  
Lisa Modisette, City Secretary