



**CITY OF HEDWIG VILLAGE, TEXAS
SPECIAL CITY COUNCIL MEETING
MONDAY, FEBRUARY 19, 2018
955 PINEY POINT ROAD**

MINUTES

1. CALL TO ORDER

Mayor Muecke called the meeting to order at 6:00 p.m.

Present: Mayor Brian Muecke

Councilmember Carrol McGinnis
Councilmember Barry Putterman
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

2. CITIZEN/VISITOR COMMENTS

Russ Hankins, 806 Saybrook, stated councilmembers should represent the residents. They were elected to act on behalf of the residents. He stated the residents are not interested in substantial spending at city hall. He believes council is attempting to obtain a loan to proceed with original spending. Councilmembers should represent the wishes of the residents.

Don Mayhall, 835 Merridel, asked why this meeting was being held. He believes that council is trying to obtain debt which the residents voted against. He stated that council is in defiance of the residents wishes.

3. DISCUSSION ON BUDGET RECOMMENDATIONS/AMENDMENTS FOR THE 2018 BUDGET RESULTING FROM THE REDUCTION IN THE 2017 TAX RATE.

Mayor Muecke gave each councilmember a printout of the 2018 Budget with the 2017 Preliminary Final Budget and his suggestions for possible increases in the 2018 revenues to offset the reduction in ad valorem property taxes resulting from the rollback election. He suggested possible increases or decreases in revenue and expenditures as following:

- Decrease in ad valorem property tax revenue due to the rollback election
- Decrease in sales tax revenue due to businesses leaving the city
- Increase in mixed beverage tax revenue due to new restaurants opening in the city

- Increase in permit fee revenue due to known commercial developments in the city
- Decrease in ambulance reimbursement revenue from the Village Fire Department due to the McGrath Consulting response time analysis
- Decrease in METRO revenue due to loss of sales tax
- Increase in court revenue
- Decrease in employee group health and life insurance expense
- Increase in election expense due to rollback election
- Increase in plan checking and inspection expense due to known commercial construction
- Increase in tax assessing expense for ad valorem property tax refunds by Spring Branch I.S.D. tax office

Mayor and councilmembers discussed the above itemized list of revenue and expenditures. There was discussion on possibly increasing fees the city currently charges and any fees the city could charge but does not currently charge. The fees under possible consideration to increase including but are not limited to court fees, permit fees, and dog registration fees. The shortfall from the rollback tax refunds would be approximately \$327,518 if the above mentioned increases and decreases materialize.

Mayor and councilmembers discussed revenues received in 2017 that will be moved to 2018, expenditures paid in 2018 that will be moved to 2017, and approximately \$2 million in designated funds that can only be spent on specific items. Councilmember Woodruff asked if any expense currently budgeted in the 2018 Budget could be paid for with restricted funds instead of general revenue funds. Mayor Muecke stated it is possible.

Councilmember Rouse gave each councilmember a spreadsheet with her suggestions for reductions in expenditures. Her suggested budget includes certain capital expenditures from the original 2018 Budget, such as the building official vehicle and the police department vehicles. She stated her suggestions are based on an analysis of previous budgets and line items where the budgeted funds were underspent. She suggested council consider decreases and increases to the following expenditures in the 2018 Budget:

- Decrease to the employee group health and life insurance in all departments to match the percentages provided by staff.
- Decrease to the computer systems at city hall and police department
- Delaying the fire department – capital improvement (given the latest schedule)
- Decrease to the police department training/meeting and certificate pay
- Decrease to the employment expense
- Decrease to police department overtime – child safety and overtime – security
- Decreases to items such as postage, supplies (office, jail, and general), jury fees, credit card fees in all departments
- Decrease in telecommunications
- Decrease in utilities at city hall, police department, park, and street lighting

- Decrease in maintenance of radios, radar, and cameras
- Decrease in gasoline for police department and building official vehicles
- Decrease in salaries and/or pay and overtime in court
- Decrease in payroll taxes
- Decrease to court education/meetings
- Decrease to items such as postage, printing, general supplies
- Decrease to professional services
- Decrease to maintenance at park
- Decrease to city landscaping and hike and bike trail
- Decrease to overtime in public works
- Decrease to education/meetings in public works
- Decrease to postage, supplies, and printing in public works
- Decrease in maintenance for building official vehicle
- Decrease in garbage collection
- Decrease maintenance for drainage
- Increase in election expense
- Decrease in holiday open house
- Increase in tax assessing for rollback tax refund
- Decrease in computer services
- Decrease in consultants
- Decrease in salaries in traffic/mitigation
- Increase in operating reserve

Councilmember Rouse stated she would be in favor of hiring a consultant to conduct a review of the city's computer hardware and software in order to determine the computer needs of the city.

Mayor and councilmembers discussed Hedwig Village's portion of the expense for the Village Fire Department to replace the roof, to pay for McGrath Consulting to analyze the response times, and the renovation of the fire station.

Mayor and councilmembers discussed Councilmember Rouse's suggested reductions and additional revenue sources, including but not limited to, assessing a fee when a credit card is used to pay a court fine or permit fee and the remodel of the city hall lobby.

Mayor Muecke asked Kelly Johnson to review Councilmember Rouse's budget suggestions for valid reasons to accept or reject the reductions. He asked Ms. Johnson to combine his suggestions and Councilmember Rouse's suggestions into a new proposed amended 2018 Budget.

Mayor Muecke stated the city may possibly get out of the METRO agreement and utilize other special taxing districts as revenue sources.

Mayor Muecke stated additional revenues the city could look into include:

- not participating in METRO and keeping the one percent sales tax that currently goes to METRO
- special district taxes
- updating the permit fees to increase the base permit fee for construction and to include a fee for construction of \$5 million and higher in value
- the police department monitoring home burglar alarms for an additional fee. Legislation would need to be passed in Austin to allow the police department to offer this service

Councilmember Rouse suggested LJA and the Drainage Committee review the new rain event guidelines issued by Harris County Flood Control District and update the modeling analysis.

4. 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.

Mayor Muecke stated this action does not obligate the city to issue tax-exempt obligations but preserves the option for 18 months. The city could reimburse funds spent for capital expenditures within sixty days prior to passing this resolution.

Councilmember Wiener moved, Councilmember Rouse seconded, to table Agenda Item #4 until the next Council meeting or earlier.

Councilmembers McGinnis, Putterman, Rouse, Wiener, and Woodruff voted "Aye". "No" none.

MOTION CARRIED UNANIMOUSLY

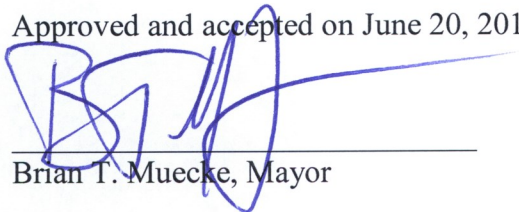
5. ADJOURN

Councilmember Woodruff moved, Councilmember Wiener seconded, to adjourn the meeting at 8:18 p.m.

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

MOTION CARRIED UNANIMOUSLY

Approved and accepted on June 20, 2018.



Brian T. Muecke, Mayor

ATTEST:



Lisa Modisette, Asst. City Secretary