



**CITY OF HEDWIG VILLAGE, TEXAS  
SPECIAL CITY COUNCIL MEETING  
BUDGET WORKSHOP  
MONDAY, AUGUST 13, 2018  
6:30 P.M. - 955 PINEY POINT ROAD**

**MINUTES**

**1. CALL TO ORDER**

Mayor Muecke called the meeting to order at 3:30 p.m.

Present: Mayor Brian Muecke

Councilmember Harry J. Folloder  
(left at 4:58 p.m.)  
Councilmember Dane Johnson  
Councilmember Barry Putterman  
Councilmember Shirley Rouse  
Councilmember Matt Woodruff

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

Absent: None

**2. DISCUSSION REGARDING THE PROPOSED 2019 BUDGET**

Mayor Muecke discussed the budget structure for the city. The city receives funds from various sources, such as:

- Sales and Transactional Taxes – sales tax, right-of-way fees, etc.
- Fines and Fees – court, permits, miscellaneous fees, etc.
- Restricted Revenues – METRO, child safety fees, technology fees, etc. - to be used for certain restricted uses only
- Property Tax – proposed tax rate based on rollback tax rate
- Proceeds from Bond Sales

The city has several accounts funds are placed into:

- General Fund – sales and transactional taxes, fines and fees, restricted revenue, and Maintenance and operating (M&O) portion of property taxes
- Debt Service Fund – Interest and Sinking (I&S) portion of the property tax
- Designated Account – proceeds from bond sales

The city uses the funds for various expenses:

- Personnel Expenses – paid from General Fund
- Operating Expenses – paid from General Fund
- Capital Expenses – paid from General Fund

- Assigned Reserves – paid from General Fund
- Principal and Interest Debt Payments – paid from Debt Service Fund
- Proceeds from Bond Sales – paid from Designated Account

The mayor and councilmembers discussed the following Proposed 2019 Budget items:

- Personnel expense – increase in salaries (includes Village Fire Department personnel), possible increase in health insurance, addition of a 457 retirement plan into which the city would deposit two percent
- Unemployment insurance – to offset reimbursement to the state for payment of unemployment benefits to former employees
- Court module from Tyler Technologies (Incode software) – the Court module currently in use is difficult to reconcile from an accounting standpoint. Incode should be able to interface with Cardinal Software the police department uses.
- Public Works vehicle – to be used by the building official and to be visible throughout the city
- New computers for City Hall and Police Department – Microsoft will stop supporting Microsoft 7, which affects computers 2015 and older. Currently the city has nineteen that will need to be replaced.
- Capital expense – several streets have ponding issues and need to be repaired, VFD capital, capital equipment reserve, and drainage issues
- Operating/Maintenance expense – includes VFD operating expense
- Designated Reserve – funds held in reserve for an emergency

The mayor and councilmembers discussed the 2019 Tax Notes and debt issuance. Several councilmembers stated that recurring capital expenses, such as new vehicles and computers, were not an appropriate use of debt. The city has an unfunded expense for the Village Fire Department (VFD) of approximately \$710,000 for the building renovations.

Mayor Muecke stated the city will know by October if the City of Bunker Hill will remain in the Village Fire Department (VFD). The City of Hedwig Village's VFD portion may increase if the City of Bunker Hill chooses to leave the VFD.

Several councilmembers agree that the residents live in Hedwig Village for various reasons including the services, such as police and fire. Council should consider raising the tax rate to continue to provide the expected services.

Councilmember Woodruff stated his concern is the increase in personnel expenses. He stated maintaining the personnel increases from 2019 into future budget years may be difficult for the city to manage.

Councilmember Rouse stated the Proposed 2019 Budget is an increase of 33% in expenses since the 2016 Budget. She stated that absent the capital item of the fire department, the increase is mostly personnel expenses and not capital expenses.

Mayor Muecke stated he would update his capital improvement plan and circulate to the councilmembers.

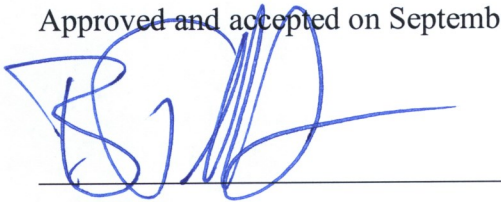
**3. ADJOURN**

Councilmember Putterman moved, Councilmember Woodruff seconded, to adjourn the meeting at 5:34 p.m.

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

**MOTION CARRIED UNANIMOUSLY**

Approved and accepted on September 20, 2018.

A handwritten signature in blue ink, appearing to be "B. Muecke", written over a horizontal line.

Brian T. Muecke, Mayor

ATTEST:

A handwritten signature in blue ink, appearing to be "Lisa Modisette", written over a horizontal line.

Lisa Modisette, Asst. City Secretary