



**CITY OF HEDWIG VILLAGE, TEXAS  
SPECIAL CITY COUNCIL MEETING  
TUESDAY, OCTOBER 2, 2018  
3:00 P.M. - 955 PINEY POINT ROAD**

**MINUTES**

**1. CALL TO ORDER**

Mayor Muecke called the Public Hearing to order at 3:01 p.m.

Present: Mayor Brian Muecke

Councilmember Harry Folloder

Councilmember Dane Johnson

(arrived at 3:21 p.m.)

Councilmember Barry Putterman

Councilmember Shirley Rouse

Councilmember Matt Woodruff

Kelly Johnson, City Admin./Secr.-Treasurer

David Gott, Police Chief

Paul Warner, Captain

Lisa Modisette, Assistant City Secretary

Absent: Alan Petrov, City Attorney

**2. Consideration of Ordinances/Resolutions**

The City Council will provide all citizens of the City of Hedwig Village an opportunity to provide written and oral comments and to ask questions concerning the items listed below.

Mayor Muecke updated the council on the Tax Notes, Series 2018 approved at the September 20, 2018 City Council Meeting. Branch Banking & Trust (BB&T) Company changed the terms of the tax note sale. The city did not agree with their new terms. BB&T withdrew from the sale. The city chose to award the sale of the tax notes to the next lowest bidder, Amegy Bank. The difference between the two banks was approximately \$363 with Amegy Bank being slightly higher.

Tom Sage, Hunton Andrews Kurth LLP, the city's bond counsel, will provide new documents for the city officials to sign.

Mayor Muecke discussed the two letters the City of Bunker Hill Village sent to the mayors of the other participating cities. The City of Bunker Hill Village approved the Village Fire Department (VFD) Operating Budget but not the Facility Fund Budget.

Mayor Muecke stated he believes the City of Bunker Hill Village does not meet the requirements, as stated in the interlocal agreement, to remain a member of the VFD. The City of Bunker Hill Village has until October 15, 2018 to make a decision to remain with the VFD.

Councilmember Folloder clarified the VFD has only one budget which includes the Capital Fund.

Councilmember Woodruff stated he was disappointed in the decision made by the City of Bunker Hill Village. He stated adding an EMS crew stationed in the City of Bunker Hill Village will increase the cost of the VFD for the City of Hedwig Village. The cost of the VFD to the City of Hedwig Village will also increase if the City of Bunker Hill Village decides to leave the VFD. However, the territory the VFD covers will decrease if the City of Bunker Hill Village leaves the VFD.

Councilmember Woodruff stated the city should have reserves on hand for such an unexpected expense.

Councilmember Rouse asked if the cities needed to be unanimous on all budget matters, including transfers of funds.

Mayor Muecke stated the cities' vote would not need to be unanimous if the fund transfers did not create a new budget line item.

Councilmember Putterman stated the City of Bunker Hill Village has been approving the VFD budgets for forty years which has included a Capital Fund to cover capital expenses.

Mayor Muecke stated he has requested that Hedwig Village Fire Commissioner Bill Johnson provide the city with an accounting of just capital item expenses for the VFD for the Tax Notes, Series 2018 paperwork, if needed.

Mayor Muecke stated he believes the City of Bunker Hill Village will remain in the VFD for 2019.

Councilmember Putterman stated the City of Bunker Hill Village is not the only city that failed to meet the national response times. Several of the cities did not meet the national standard.

Councilmember Folloder agreed with Councilmember Woodruff for the need of a reserve.

- A. An Ordinance adopting the Budget of the City of Hedwig Village, Texas, for the Fiscal Year 2019 beginning January 1, 2019 and ending December 31, 2019, and appropriating the several sums set up therein to the objects and purposes therein named.

Kelly Johnson, City Administrator, reviewed the Proposed 2019 Budget. She stated the auditors stated the Police Seizure Fund and the Tax Notes, Series 2018 proceeds should be shown in the budget as revenue for the General Fund. These funds were previously shown as Designated Funds. This transfer of funds from one line item to another line item does not affect the budget's bottom line.

Councilmember Folloder asked that the 2019 Budget Power Point be uploaded to the website and to include the city comparisons and the effective rate comparisons.

Councilmember Rouse asked Kelly Johnson to project how much funds from the 2018 Budget would go into the reserve account.

Kelly Johnson stated approximately \$221,000 would be transferred into the reserve account at the end of the year.

Councilmember Putterman asked Kelly Johnson to predict any increase or decrease in sales tax through the end of the year.

Kelly Johnson stated sales tax is too volatile to accurately predict.

Councilmember Folloder moved, Councilmember Johnson seconded, to approve the Ordinance to adopt the proposed 2019 Budget.

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

**MOTION CARRIED UNANIMOUSLY**

- B. The 2018 Proposed Maintenance and Operating Tax Rate to fund the 2019 Budget.

Councilmember Putterman moved, Councilmember Folloder seconded, to adopt the proposed 2018 Maintenance and Operating Tax Rate of \$0.224874/\$100 valuation to fund the 2019 Budget.

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

**MOTION CARRIED UNANIMOUSLY**

- C. The 2018 Proposed Debt Rate to fund the 2019 Debt Obligations.

Councilmember Putterman moved, Councilmember Woodruff seconded, to adopt the Proposed 2018 Debt Rate of \$0.81780/\$100 valuation to fund the 2019 Budget.

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

**MOTION CARRIED UNANIMOUSLY**

- D. To ratify the ad valorem property tax rate that will raise more taxes for Maintenance and Operations than last year's tax rate. The tax rate will effectively be raised by 17.85

percent and will raise taxes for Maintenance and Operations on a \$100,000 home by approximately \$32.81.

Councilmember Johnson moved, Councilmember Woodruff seconded, to ratify the ad valorem property tax rate that will raise more taxes for Maintenance and Operations than last year's tax rate. The tax rate will effectively be raised by 17.85 percent and will raise taxes for Maintenance and Operations on a \$100,000 home by approximately \$32.81.

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

**MOTION CARRIED UNANIMOUSLY**

- E. An Ordinance providing for the assessment, levy, and collection of ad valorem taxes by the City of Hedwig Village, Texas, for the Year 2018; providing the date on which such taxes shall be due and payable; providing for penalty and interest on all taxes not timely paid; and repealing all ordinances or parts of ordinances in conflict herein.

Councilmember Woodruff moved, Councilmember Johnson seconded, to approve the Ordinance providing for the assessment, levy, and collection of ad valorem taxes by the City of Hedwig Village, Texas, for the Year 2018; providing the date on which such taxes shall be due and payable; providing for penalty and interest on all taxes not timely paid; and repealing all ordinances or parts of ordinances in conflict herein.

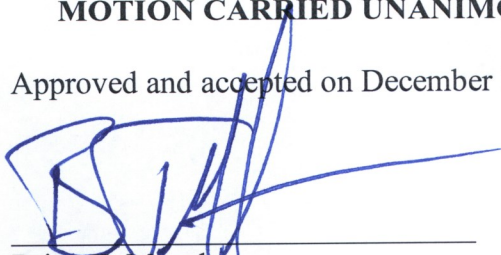
**3. ADJOURN**

Councilmember Folloder moved, Councilmember Johnson seconded, to adjourn the Public Hearing at 3:50 p.m.


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

**MOTION CARRIED UNANIMOUSLY**

Approved and accepted on December 12, 2018.

  
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Brian T. Muecke  
Mayor

ATTEST:

  
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Lisa Modisette  
Assistant City Secretary