



City of Fredericksburg

City Council Special Meeting Minutes
Wednesday, September 3, 2025 ~ 2:00 PM
John Wm Klein Room
115 N. Crockett
Fredericksburg, Texas 78624

City Council:

Jeryl Hoover, Mayor (Absent)
Emily Kirchner, Mayor Pro-Tem
Bobby Watson, Councilmember
Tony Klein, Councilmember
Todd Eidson, Councilmember

City Staff:

Clinton Bailey, City Manager
Garret Bonn, Assistant City Manager
Leticia Vacek, City Secretary
Brian Vorauer, Police Chief
Lynn Bizzell, Fire Chief
Krista Wareham, Finance Director
Cliff Cross, Director, Development Services
Susana Huerta, Asst. Director, Development Services
Kris Kneese, P.E., Director of Public Works & Utilities
Evan Williamson, Asst. Director of Public Works & Utilities
Andrea Schmidt, Parks/Rec Director
Shelley Becker, Municipal Court Judge
Kelli Olfers, Director Health Department
Aaron Anderegg, IT Director
Sean Doerre, Public Information Officer
Leslie Embrey, Asst. to City Secretary
Alyssa Rivera, Outreach Specialist

1. CALL TO ORDER

In the absence of Mayor Hoover, Mayor Pro-Tem Kirchner called the meeting to order noting a quorum was present.

2. ACTION ITEMS AND UPDATES

- A. Review and update of the City's Proposed FY2026 Budget. (Clinton Bailey, City Manager)

Mayor Pro-Tem Kirchner announced that the Public Hearings for the Proposed FY2026 Budget and Tax Rate would be held on September 9, 2025.

City Manager Bailey stated this is a follow-up from the August 19th Budget Meeting and there have been a number of adjustments made, including just

under one million in reductions in the General Fund with some added revenue. He stated that each department director would present and share information on upcoming projects and any additional new employees. He introduced Susana Huerta, the city's new Assistant Director of Development Services.

Krista Wareham reported that the amended budget shows \$1.7 million in revenue has been added, and expenses have been reduced by \$1.8 million. General Fund revenues year to date through August are at 97 percent and (\$23.5 million) and year to date expenditures are at 82 percent (\$21.6 million). She referenced the General Fund Chart showing revenues and expenditures, stating that the City maintains no less than three months of operating in the Reserve Fund. Regarding the General Fund, the required reserve balance is around two million per month. Krista also reported that built into the budget was a COLA (1%), Merit (1.5%), and Police Officer and Firefighters Step Plan (2.5%). She also explained the city dollar breakdown "Where do my Tax Dollars go?", Police 44%, Fire/EMS 16%, Streets 13%, Parks 12%, Debt Services 4.5%, Municipal Court 4%, Development Services 3.5%, Engineering 1%, Golf 1%, and Health 1%.

Krista reported on the Enterprise Fund revenues which have decreased. She added that year to date revenues are down four percent and expenses are down two percent.

Chief Vorauer presented an overview of the Police Department budget stating his budget represents a reduction of \$104,000 to Personnel (from the previously proposed budget in August). He stated the Court Security Officer position has been removed. The School Resource Officer (SRO) position was discussed. There is currently one SRO, but an additional one was requested by the School Board and has been added to the proposed FY2026 budget. He discussed the need for a new position (Records Analyst/Case Manager) to assist with transfer of cases, and their uploading of all digital media to the County, as well as to assist with public information requests.

Cliff Cross presented the Development Services budget noting their department is application driven and the services provide a funding source. Cliff predicted additional revenue of \$389,000 (due to increased short-term rental fees, building permits, and credit card fees) and additional expenses of \$89,000 (increased computer software maintenance). He also discussed the Unified Development Code (UDC) expense of \$175,000, a carryover from last year, to be split between fiscal year 2026 and 2027. He added, the department will be looking for grants to subsidize costs.

Kris Kneese provided budget updates for the following departments under his direction.

He stated that the Engineering Department is part of the General Fund and the Public Works Department. Kris discussed the proposed years' expenses regarding aerial photos (shared expense with the Appraisal District) and stated there are no new personnel added to this budget year.

The Street Department overview included the new revenue from brush/leaf pick-up and the reduction in expenses due to street sweeper being moved to Stormwater. Professional fees-transportation project was removed, and fleet lease adjustment was made. Capital Projects and Equipment were also discussed. Brush and Leaf Collection services were shared in more detail.

The Electric Department budget was reviewed and discussed. Kris reported the Recondutor project has been removed, and expenses have been reduced by \$164,000. Capital Projects discussed included Inventory replacement at \$700,000, as well as the Racquet Center project. He stated no new equipment is being proposed. He added that LCRA will have a rate increase passed through to our customers and there is no proposed City rate increase. He did mention the proposed city rate study to be completed in fiscal year 2026, a \$25,000 professional services contract. He added the last rate study was completed in 2021.

Kris noted the Water/Wastewater Department has a minor capital expense for equipment at the wastewater treatment plant (\$50,000). Capital Projects discussed included inventory replacement, water main rehab, WWTP Bar Screens, Windcrest water pressure improvements, water well field exploration, North Llano water line rehab, wastewater master plan update, Hollmig Lane lift station (funded with impact fees), float brush aerators, rainwater harvesting, Racquet Center water and wastewater extension, and warehouse improvements. He noted equipment to be replaced includes a dump truck, a skid steer, and two new crew worker trucks. New equipment included a hydro-excavation trailer to be used daily by multiple departments.

The Sanitation Department has a reduced budget of \$84,000 (new sanitation driver added and the entrance gate has been removed from the budget). Projects include Cell 12 and 13, Fiber to Scale House, and Transfer Station. He stated that a grant was submitted for the Transfer Station and should hear back in December. The proposed rate of \$1.40/month was discussed. The last rate adjustment was approved in October 2015. The Tipping Fee at the Landfill will increase by \$15.00/ton. The last adjustment was made in October 2023.

He reported that the Stormwater/Vegetation Management Department is proposing reduced expenses of \$48,000. Annual Projects include warehouse improvements. The Smokehouse Road drainage project was removed from the budget, and the Street Sweeper equipment was moved to the Stormwater Department from the Streets Department Budget. Kris noted the rate structure is broken into tiers, residential range and non-residential. He stated that the last rate adjustment was made in October 2019. The proposed rate adjustments include residential range, lowest tier, increase of \$1.50/month (new rate \$4.50/month) and highest tier, increase of \$4.50/month (new rate \$13.50/month). Non-residential, lowest tier, increase of \$1.50/month (new rate \$4.50/month), and highest tier, increase of \$100/month (new rate \$300.00/month). Kris made note of the new Public Works Personnel request for a Public Works Outreach position at a cost of \$87,000 and a Sanitation Driver at a cost of \$74,000.

Andrea Schmidt provided an update on revisions that have been made to the budget since the last meeting. Capital Projects and Equipment from General

Fund include Tatsch House renovations (expense rolled over from fiscal year 2025), Pool plaster, Pool cover, Town Pool ramp, Pioneer Pavilion stage renovations, and grounds-master mower. Capital Projects and Equipment from Tourism Fund include the annual Christmas light replacements, JD Mower, Marktplatz Fiber extension, Adelsverein Halle repainting, Bollards (discussed removing the item or replacing with mobile barricades), Substation professional services for renovations, garden border extension, and the Glockenspiel. No new personnel are being requested this fiscal year but do see a need to add staff in the future.

Krista noted the reduction of expenses in the amount of \$827,000 to the Tourism budget. The Council requested that the CVB provide a budget presentation at the next Council Meeting.

Judge Shelley Becker presented an overview of the Municipal Court budget noting the need for the addition of two full-time employees (to reduce part-time and overtime wages) and to meet the needs of increased case filings.

Lynn Bizzell discussed the Fire/EMS personnel need stating that last year it was approved to hire six additional personnel, and one position has not been filled to date. He added that the revenue and expenses are shared with Gillespie County. Krista reported that revisions are being made to the Fire/EMS work policy which will cut some of the overtime. There has been an 18% increase in the call volume. The Council discussed possible grants to help fund expenses for the Fire Department. Capital Projects includes a new fire engine (approximate four-year delivery). He noted the firefighting bed for brush truck (previously budgeted). Lastly, Chief discussed the need for a new ambulance and tactical medical equipment. City Manager Bailey added the Fire/EMS Department has drafted a new five-year Capital Plan to be discussed in January.

Kelli Olfers reported there have been no changes to the proposed Health Budget since the last meeting and no personnel requests. She explained the new legislative updates which may influence revenues next fiscal year. Specifically, SB 1008 which took effect on September 1, 2025 regulating food permits statewide. Also, HB 2844, effective July 1, 2026, is the Mobile Food Vendor Permitting, which the state will take over inspections.

Krista provided an overview of the City/County shared expenses. The City expenses which are split with the County include Emergency Management, Fire Department, Health Department, and EMS expenses. The County expenses which are split with the City include Rural Fire Department, Law Enforcement Center, and Communications/Dispatch. Regarding the Animal Shelter expenses, it was stated that personnel are being paid through the Police Department Budget.

Other General Fund expenses include City shared GCAD Property Tax collection and City shared GCAD expenses.

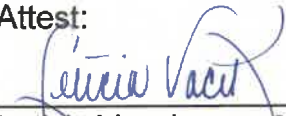
Mayor Pro-Tem Kirchner thanked all city staff for their budget presentations.

13. ADJOURN

There being no further discussion, Mayor Pro-Tem Kirchner adjourned the meeting at 5:02 pm.


Emily Kirchner, Mayor Pro-Tem

Attest:



Leticia Vacek, TRMC, CMC, MMC
City Secretary/RMO