CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL SPECIAL MEETING
JULY 22, 2019

Members Present:
Mayor Linda Langerhans
Councilmember Charlie Kiehne
Councilmember Gary Neffendorf
Councilmember Tom Musselman
Councilmember Bobby Watson

Members Absent:
None

City Staff Present:
Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director Public Works and Utilities
Daniel Jones, City Attorney
Steve Wetz, Police Chief
Lynn Bizzell, Fire Chief
Brian Jordan, Development Services Director
Andrea Schmidt, Parks Department Director
Russell Immel, Information Technology Director
Lea Feuge, Public Information Officer
Kris Kneese, Assistant Director Public Works and Utilities
Garret Bonn, Assistant City Engineer
Braxton Roemer, Special Services Lt.
Brian Vorauer, Patrol Lt.
Trevor Dupuis, Parks Supervisor
Lee Stubblefield, Electric Superintendent
David Kellam, Assistant Finance Director
Glenn Koennecke, Street Department Superintendent
Shelley Goodwin, City Secretary

1. CALL TO ORDER

With a quorum of the City Council present, Mayor Langerhans called the regular meeting of the Fredericksburg City Council to order at 4:00 p.m. on Monday, July 22, 2019, in the City Hall Conference Room, 126 West Main Street, Fredericksburg, Texas 78624.

2. PUBLIC COMMENTS

No one wished to speak at this time.

3. PRESENTATION, DISCUSSION, REVIEW AND POSSIBLE DIRECTION

Kent Myers, City Manager, stated at this meeting we plan to discuss street improvements, Electric Division building, General Fund revenues, General Fund expenses and City personnel costs. He stated the first Budget Meeting is to present the proposed General Fund Budget and make initial changes as determined by the City Council. There are still some unknowns that will impact the Budget such as County funding proposals, certified property appraisal values, Sports Park project, and TML insurance and bonds. He also reminded the City Council that the proposed Budget is a work in progress.

a. Presentation by Dan Wegmiller, Specialized Public Finance

i. Electric Department Building

Steve Thomas, SKT Architects, provided updated design and cost estimates for the Electric Department Building. He stated construction documents will be ready in September. He stated the preliminary cost is $2,400,000.

The City Council discussed the Site Plan, square footage and the drainage on the property.

ii. City Street Projects

Dan Wegmiller, Specialized Public Finance, provided several different financing scenarios based on which streets are included. He also reviewed the different options of financing available for the proposed Electric Department Building and City Street Projects.

Kent Myers, City Manager, stated the City Council needs to discuss which street improvements to consider for financing, what type of financing the City should use, and when to schedule a bond election if a GO bond is recommended.

The City Council discussed the different financing options. They agreed to consider GO bonds to go to the voters for a May 2020 election or a November 2020 election. They also agreed to Scenario 1 and 2 for future consideration.

b. Proposed 2020 Fiscal Year Budget General Fund

Kent Myers, City Manager, stated the General Fund Revenues are proposed at $15,103,709. He also reviewed the General Fund Revenues. He also reviewed the 3.5% Tax Rate Increase Cap that the Legislators adopted, which will not affect the FY2020 Budget but will affect the FY2021 Budget.

Laura Hollenbeck, Finance Director, reviewed the preliminary values from the Appraisal District used to develop a 2019 Tax Rate Scenarios. She stated she is expecting the Certified Rate by the end of the month.

Kent Myers, City Manager, reviewed the proposed Administrative budget and the reason for the decrease. He also reviewed the increase in the education and training, fleet lease and property maintenance costs.

Steve Wetz, Police Chief, reviewed the proposed Police Department budget. He reviewed the reasons for the increases; new Patrol Officer position, new vehicles and overtime and holiday pay. He also reviewed the issues with retaining Officers and the five vacancies they currently have.

The City Council discussed the current vacancies and the funding Fredericksburg ISD provides for the Resource Officers.

Lynn Bizzell, Fire Chief, reviewed the proposed Fire Department budget increases and decreases. He reviewed the primary reasons for the increases; new pumper and personnel costs.

Garret Bonn, City Assistant Engineer, reviewed the proposed Street Department budget. He stated the decrease in this budget is primarily due to no major street improvements are included in the proposed budget.

Andrea Schmidt, Parks Department Director, reviewed the proposed Parks Department budget. She reviewed the primary reasons for her increase; Sports Park, replace one restroom at Lady Bird Johnson Park and several improvements at Markplatz. She reviewed the two possible fee changes that could be used for funding these improvements; reservation fee increases and a per person fee for events held at Markplatz.

The City Council agreed by consensus to discuss a per person fee for events held at Markplatz.

Brian Jordan, Development Services Director, reviewed the proposed Development Services Department budget. He reviewed the primary reasons for increase; legal expenses and maintenance of historic structures. He also reviewed the grant program for financial incentive for repairs to buildings in our historic district.

The City Council discussed the grant program for the Historic District.

Kelli Olfers, Health Department Director, reviewed the proposed Health Department budget.

Kent Myers, City Manager, reviewed the Municipal Court budget and the primary reasons for the decrease.

Clinton Bailey, Assistant City Manager/Director Public Works and Utilities, reviewed the proposed Engineering Department budget. He identified the increase in the area photo line item, which will be done in conjunction with the Gillespie County Appraisal District.

c. Proposed 2020 Fiscal Year Budget – Personnel Costs

Kent Myers, City Manager, stated the proposed budget was developed with a 2% COLA increase and a 2% merit increase for all full-time employees. He also stated the City's current TMRS rate is at 5% which is below the 7% contribution rate offered by other cities. He stated the next step would be an increase contribution rate to 6%, which would be an impact of 4.16%. He reviewed the Health Insurance Fund and recommended that this budget not be increased. He also reviewed the current vacancies with the different departments and the request for additional employees.

The City Council discussed the Affordable Housing personnel request, 2% COLA, 2% merit increase and TMRS rate increase. They also discussed the tax rate increase to 8%.

Kent Myers, City Manager, reminded the City Council of the July 29th Special Meeting to discuss the Enterprise Funds. He stated the meeting will be held at City Hall in the Conference Room at 4 p.m.

4. ADJOURN

With no future business the Mayor adjourned the Special Meeting at 7:45 p.m.

Linda Langerhans

Linda Langerhans
Mayor

ATTEST

Shelley Goodwin

Shelley Goodwin, TRMC
City Secretary