



CITY OF FREDERICKSBURG MINUTES OF CITY COUNCIL WORK SESSION AUGUST 4, 2021

The City of Fredericksburg City Council held their work session on Wednesday, August 4, 2021 at 4 p.m. This meeting was held in person at the Lady Bird Johnson Golf Course-Cardinal Room.

Members Present:

Mayor Charlie Kiehne left 6:05 p.m.
Councilmember Jerry Luckenbach
Councilmember Tom Musselman
Councilmember Kathy O'Neill
Councilmember Bobby Watson

Members Absent:

None

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities
Lynn Bizzell, Fire Chief
Daniel Jones, City Attorney
Steve Wetz, Police Chief
Brian Vorauer, Police Department Lt.
Braxton Roemer, Police Special Services Lieutenant
Eric Whiting, Information Technology Director
Jason Lutz, Development Services Director
Regan Rabke, Fire Marshall
Andrea Schmidt, Parks Department Director
Laura Hollenbeak, Finance Director
David Kellam, Assistant Finance Director
Krista Wareham, City Accountant
Garret Bonn, Assistant Engineer
Lea Fugue, Public Information Officer
Justin Calhoun, Emergency Management Coordinator
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the regular meeting of the Fredericksburg City Council to order at 4:00 p.m. on Wednesday, August 4, 2021. Mayor Kiehne announced a quorum of the City Council present.

2. PUBLIC COMMENTS

George Studor, City resident, spoke regarding the Emergency Management Budget.

3. WORK SESSION ITEM

A. Consider, discuss, and take action on the Fiscal Year (FY) 2021/2022 on the following Funds(Kent Myers, City Manager and Laura Hollenbeak, Finance Director):

i. Electric Fund Proposed Budget

Kent Myers, City Manager, reviewed the past two years' major capital items in the Electric Fund Budget. He noted the proposed Electric Fund Budget for next year is \$12,547,419, which is a sizeable decrease from the current budget of \$13,391,503. The Budget includes 50% of the costs for the Meter Tech position added during the mid-year budget process. As in the other funds, this Budget also consists of a 2% merit increase and a 2% COLA increase for electric employees. The Budget does not include the purchase of land for a substation.

The City Council discussed doing an Electric Rate comparison and a possible Electric Rate increase in small increments. They also asked for an LCRA update on power payments and the number of years left to pay on the agreement.

Kyle Treibs, Electric Department, noted during the winter storm, the City felt it was more important to keep the lights on, which caused the City to buy power at a higher rate.

ii. Water Fund Proposed Budget

Kent Myers, City Manager, noted that Water Fund Proposed Budget is \$17,447,871, increasing from \$9,528,132. He stated this budget includes:

- purchase of new generators at all water well and water pump sites and using American Rescue Funds
- ½ of the costs for the Meter Tech position
- a new bobcat.

Proposed capital improvements include the following:

- Completion of the Boot Ranch Lift Station-\$1,500,000 (75% funded from impact fees)
- Water and sewer improvements in W. Live Oak Road area \$1,155,000 (impact fees)
- Water main rehab projects \$300,000
- Sewer main rehab projects \$300,000
- E. Main Street water rehab -\$3,000,000 (\$2 million from remaining water bond funds)
- Friendship Lane sewer improvements \$2,000,000 (impact fees)
- Effluent irrigation improvements for Sports Park-\$850,000
- Pressure relief valve for Heritage Hill Country area-\$100,000

Clinton Bailey, Assistant City Manager and Public Works/Utility Director, stated Dan Kemp with Soccer Association stated they could move forward with their plans as long as the Effluent Water Project is done.

The City Council requested a diagram of the Effluent Water System and the creation of a separate Boot Ranch revenue line item.

iii. Golf Fund Proposed Budget

Kent Myers, City Manager, discussed the loan that Water and Electric Department provided to the Golf Course in 2013. He noted Daniel Jones, City Attorney, is reviewing the laws regarding waiving repayment.

The City Council discussed the balance of the payback loan.

iv. Sanitation Fund Proposed Budget

Kent Myers, City Manager, discussed the proposed budget, which includes the following:

- one additional employee
- new garbage truck
- zero turn mower
- partial funding of a message board
- new trash cans
- partial funding of engine diagnostic equipment

Garret Bonn, Assistant Engineer, stated staff would like to hold a workshop to discuss the landfill and the future sanitation plans.

v. EMS Fund Proposed Budget

Kent Myers, City Manager, reviewed the Proposed Budget of \$3,934,656, a major increase over the current budget of \$3,055,277. This Budget includes the following:

- a recommended increase in EMS charges of \$100 per call
- increase from \$15.70 an hour to \$19.45 an hour for part-time EMS employees
- purchase of a new ambulance at the cost of \$107,606 for three years.

He noted with increases in calls, a third EMS unit based at the South Station is needed, that will require six additional paramedics to fully Staff.

vi. Tourism Fund

Kent Myers, City Manager, stated based upon our discussions, the proposed Budget includes a 7% increase over our projected HOT revenues from the current year. The projected revenue. The total Tourism Fund Budget proposed for next year is \$5,421,909. Other significant changes in this Fund that are proposed in FY 2022 include the following:

- Addition of new full-time employee dedicated to the maintenance of Marktplatz due to the retirement of Stephen Itz
- Addition of janitorial services for cleaning of restrooms at Marktplatz and Visitor's Center seven days a week
- Increase in funding for special events such as the New Year's Eve event that was eliminated during COVID
- Funding for the additions to Marktplatz, which includes carry-over of the \$200,000 approved last year and an additional contribution of \$200,000
- Replacement of Christmas lights that were damaged during the winter storm.
- Contract with the Former Texas Rangers to operate Fort Martin Scott if approved by the City Council next month.

Ernie Loeffler, CEO of CVB, reviewed the proposal for a Visitor Tourism Master Plan. He also discussed the need for expanding the building.

Jennifer Krupa, Special Events Coordinator, reviewed the new line item for Fort Martin Scott.

Andrea Schmidt, Park Director, noted the need for Janitorial Services and the cleaning process. She reviewed the proposed Former Texas Ranger management plan of to take over management of Fort Martin Scott.

The City Council discussed the possibility of using Tourism Funds for a parking garage. They also discussed the Christmas lights. They also noted the future budgets need to include the maintenance of the Visitor Center Restrooms at Pioneer Museum.

vii. Drainage Fund Proposed Budget

Kent Myers, City Manager, reviewed the proposed Budget and noted no increase in drainage fees are proposed for the coming year. The total budget for the Drainage Fund is \$734,708 compared to the current budget of \$649,683. This Budget includes:

- a new residential street sweeping program
- an addition of one new employee
- a new street sweeper at the cost of \$103,283 over three years.
- design of the N. Llano storm sewer project, which we hope to begin in the next several years

Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities, discussed the need for street sweeper and additional personnel.

Garret Bonn, Assistant Engineer, reviewed the need for an additional person to assist with street sweeping, tree trimming, and vegetation management. He explained the way the program will work.

viii. Food and Wine Fund Proposed Budget

Kent Myers, City Manager, noted that there are no changes to the Food and Wine Fund.

ix. Emergency Management Fund Proposed Budget

Kent Myers, City Manager, stated the Emergency Management includes purchasing two new generators for two of the radio towers.

x. Police Forfeiture Fund Proposed Budget

Braxton Roemer, Police Special Services Lieutenant, reviewed what the Forfeiture Fund is used for.

xi. Capital Projects Fund-Water and Wastewater Proposed Budget

Kent Myers, City Manager, reviewed the Capital Projects Fund-Water and Wastewater proposed budget.

xii. Animal Services Special Revenue Fund Proposed Budget

Kent Myers, City Manager, reviewed the Animal Services Special Revenue Fund proposed Budget and why the fund was created.

xiii. Parks and Recreation Special Revenue Fund Proposed Budget

Kent Myers, City Manager, reviewed the Parks and Recreation Special Revenue Fund proposed budget.

xiv. Health Insurance Fund Proposed Budget

Kent Myers, City Manager, reviewed the Health Insurance Fund proposed Budget and stated this budget includes a 10% increase in health insurance contributions.

xv. Proposed Property Tax Rate

Laura Hollenbeck, Finance Director, reviewed the 2021 Tax Rate Scenarios, Tax Rate Comparison, and 2021 Tax Rate Calculation Worksheet. She reviewed the different tax rates, last year's tax rate, and voter approval tax rate that would cause an election.

The City Council discussed the different proposed tax rates. They asked for scenarios to be created for a 3.5 cent tax and maintaining our current tax rate to be brought back for discussion at the next Work Session.

xvi. Employee Salaries

Tammie Loth, Human Resources, reviewed Exhibit B Salary Survey Results.

Kent Myers, City Manager, reviewed the results and noted we are below market rate in most positions. He reviewed the need to stop Fredericksburg from being a training ground for other Cities.

xvii. Budget for Town Pool

Andrea Schmidt, Parks and Recreation Director, reviewed the maintenance and operation of the Pool and proposed Splash Pad. She also reviewed the results of the meetings regarding the proposed Splash Pad. She noted the most popular option is #2.

The City Council discussed the different options and requested that Staff look at other cities with Splash Pads and make a size comparison. They also discussed the need for adding the maintenance and operation of the pool and splash pad to the Budget.

xviii. American Rescue Plan Funds

Kent Myers, City Manager, reviewed the different items the ARP Funds can be used for.

The City Council discussed using the ARP Funds on as many items as they can.

4. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember O'Neill, to adjourn the Wednesday, August 4, 2021, City Council Workshop at 6:55 p.m. The City Council voted four (4) for and none (0) opposed. The motion carried unanimously.



Charlie Kiehne
Mayor

ATTEST



Shelley Goodwin, TRMC
City Secretary