City of Fredericksburg

CITY COUNCIL WORK SESSION AGENDA
MONDAY, OCTOBER 25, 2021 ~ 9 A.M.
LADY BIRD GOLF COURSE-CARDINAL ROOM
341 GOLFERS LOOP – FREDERICKSBURG, TEXAS 78624

Charlie Kiehne, Mayor
Tom Musselman, Councilmember
Bobby Watson, Councilmember
Jerry M. Luckenbach, Councilmember
Kathy O'Neill, Councilmember
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a Work Session on Monday, October 25, 2021 at 9 a.m.

Audio of this meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

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1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENTS**

The City Council welcomes citizen participation and comments at all City Council Work Session. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

Written Comments: to be submitted remotely:
1. Must be received by 3 p.m. on October 24, 2021.
2. Complete the Citizen Comment Form online at Fredericksburg, TX - Official Website (fbgtx.org); or
3. Email your comments to CitizenComments@fbgtx.org or
4. Complete a Citizen Comment Form located inside the Public Access entrance at 126 W. Main Street, Fredericksburg, Texas, and place in the box marked Citizen Comment Form.

Copies of the submitted comments will be provided to the City Council and made public on the City website under the "***October 25, 2021***, City Council Work Session" tab.

Verbal Comments:
1. Sign up in-person between 8:30 a.m. and 9 a.m. at the Golf Course-Cardinal Room in order to comment.
2. You will be limited to 3 minutes to speak.

4. PUBLIC HEARING

A. Consider a public hearing to receive citizen comments for or against an Involuntary Annexation for approximately 82.36 acres of land, generally located on the West and East sides of Post Oak Road, from W. Live Oak to 2,800 feet North of S. Bowie Street; this Involuntary Annexation will not increase or extend the City's Extraterritorial Jurisdiction (2nd public hearing) (Jason Lutz, Development Services Director).
(Agenda Packet Page 3-14)

5. WORK SESSION ITEMS

The following items will be considered, discussed, and take appropriate action on:

A. Consider the approval of Resolution 2021-14R authorizing submission of the Economic Development Administration American Rescue Plan Recovery Assistance Application, and authorizing the local funding commitment for same, related to construction of a Centralized Parking Facility in the City (Kent Myers, City Manager).
(Agenda Packet Pages 15-18)

B. Consider a presentation and discussion on Workforce Housing Project (Kent Myers, City Manager).
(Agenda Packet Pages 19-20)

C. Consider a presentation and discuss the Salary Survey and make recommendation on Employee Salary Adjustments (Kent Myers, City Manager).
(Agenda Packet Pages 21-28)

6. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 3:12 p.m. on October 20, 2021, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.

Shelley Goodwin, TRMC
City Secretary

CITY COUNCIL MEMO

DATE: October 18, 2021

TO: Mayor and City Council Members

FROM: Jason Lutz

SUBJECT: 2nd Public Hearing regarding Annexation of Area 6A & 6B of the City's Annexation Plan.

Summary:

The proposed annexation includes all properties that have frontage on Post Oak Road between Live Oak Street and Bowie Street, and those properties fronting on the Cherry Street extension to the north of Bowie Street. The attached map shows the properties in question. Resolution 2019-06R, adopted by the City Council on May 14, 2019, identified the properties in question as Area 6A and 6B. Area 6A included approximately 40.71 acres and area 6B approximately 42.62 acres, a map of the area is attached. The property is characterized by residences, vacant land, and some commercial businesses.

Recommendation:

Discuss the proposed annexation and give staff direction on whether to proceed.

Background / Analysis:

This annexation area was originally initiated in November of 2020, but the process needed to be restarted due to COVID issues and change in Council Meeting locations, which affected the original timeline and process.

Staff re-initiated the annexation process and Council had previously held a public hearing in September, but due to a legal notice issue, staff had to start the process over again.

Several members of the public spoke during the 1st public hearing on Oct. 18, 2021. Staff notified all property owners via certified mail utilizing the Gillespie Central Appraisal District owner information.

Staff has also reached out (email & phone) to Mr. Hutson regarding the non-annexation agreement for his property. Not only was he contacted by prior staff, but he was also contacted by current staff regarding his desire to not be annexed. Staff provided several options for him to consider, allowed Mr. Hutson to provide an option unique to his situation, and sent him a draft non-annexation agreement.

At this time, staff has received no communication from Mr. Hutson regarding his request or draft of any proposed non-annexation agreement.

An annexation service plan for this area (see attached) was provided in the required timeline, but staff received no calls or inquiries regarding the plan.

Annexation Timeline:

1. 1st Council Public Hearing – 10/18/21 (completed)
2. 2nd Council Public Hearing – 10/25/21
3. Council Initiates Annexation Proceedings – 11/15/21
4. P&Z Zoning Recommendation Public Hearing – 12/8/21
5. Council Adopts Annexation & Zoning 1st Reading – 12/20/21

Attachments: Map of proposed annexation area, Service Plan, & mailing list/labels of property owners within the subject area.

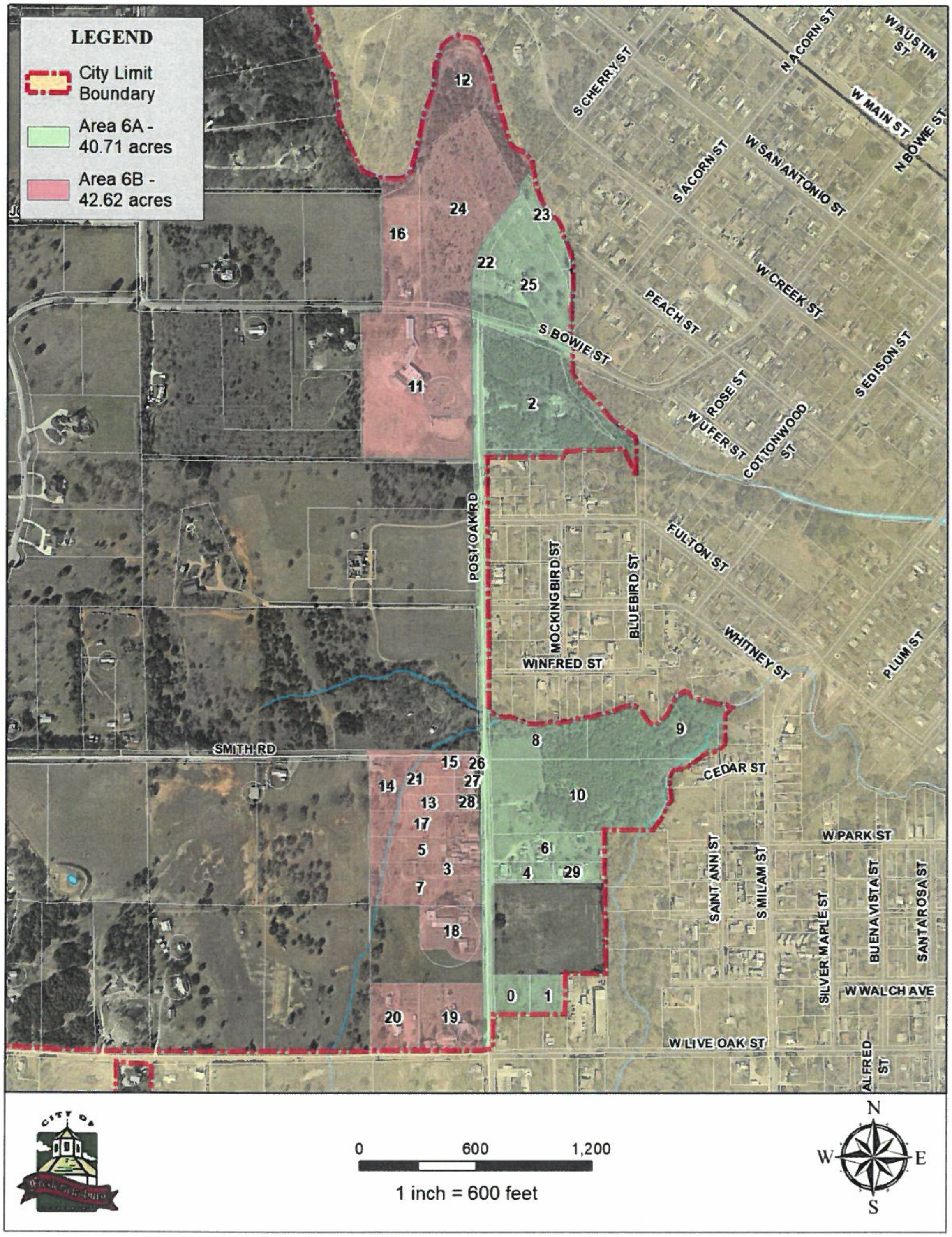
Department Approval

City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861



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MAP ID	NAME	PREFIX	NUMBER	STREET	SUFFIX	LEGAL DESCRIPTION
0	VILLARREAL, SUSAN & KIRKSCEY, LAURIE		0	POST OAK	RD	G E CO #97 .92
1	KLAERNER, YVONNE B	W	618	LIVE OAK	ST	G E CO #97 .92
2	GARY FAMILY TRUST		421	POST OAK	RD	G E CO #609 7.17, ALSO PT LOT 1 BESIER #2
3	MD GATHERING HOLDINGS LLC-SERIES 638 POST OAK RD		638	POST OAK	RD	G E CO #137 0.498
4	MD GATHERINGS HOLDINGS LLC - SERIES 639 POSTOAK		639	POST OAK	RD	G E CO #616 LOT UNMBR & UNMBR OF GE97, 0.723, UNMBR SOUTH OF GE0616
5	MD GATHERING HOLDINGS LLC-SERIES 632 POST OAK		632	POST OAK	RD	G E CO #137 1.78, B&BS
6	OCHOA, VICTOR HUGO		633	POST OAK	RD	G E CO #616 LOT UNMBR, 1.64, UNMBR LOT SOUTH OF GE616-HOMESITE-
7	BROWN, JAMES LOYD		644	POST OAK	RD	G E CO #137 2.444, & HOUSE-POST OAK RD-
8	LEHNE, SANDRA & JAMES A LEHNE		627	POST OAK	RD	G E CO #258 2.0, -HOMESITE-
9	LEHNE, SANDRA & JAMES A LEHNE		627	POST OAK	RD	G E CO #259 2.0
10	LEHNE, SANDRA & JAMES A LEHNE		627	POST OAK	RD	G E CO #616 8.0
11	MASON, CHARLOTTE SCHOOLS INTERNATIONAL INC		406	POST OAK	RD	G E CO #257 LOT 257A & 257B, 9.714
12	PERRY DISTRIBUTION TRUST	W	911	CREEK	ST	G E CO #261 LOT UNMBR, 3.43
13	SMITH, DORAN D & JOYCE		624	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 3-PT, 0.528
14	GONZALES, JESSE & SUSAN		103	SMITH	RD	SMITH, JAMES & DOREEN SUBD LOT 4, 1.12, -HOMESITE-
15	SMITH, JAMES W & MARY LOU		620	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 1-PT, 0.548
16	KING, J CRAIG & SUSAN	S	812	BOWIE	ST	NOVIAN LOT 1 TO 5, 2.828, -RESIDENCE-
17	AGUIRRE, AURORA		630	POST OAK	RD	G E CO #137 1.69
18	ALLEN, STEVE & BEVERLY REVOCABLE TRUST		648	POST OAK	RD	ALLEN ADDN LOT 128B-AR, 3.279
19	ALLEN, STEVE & BEVERLY REVOCABLE TRUST		662	POST OAK	RD	ALLEN ADDN LOT 128A-R PT, 1.16
20	BOBO, TIMOTHY M & LARA (TIM)	W	714	LIVE OAK	ST	ALLEN ADDN LOT 128B-BR, 2.023
21	SMITH, TAMMY		622	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 2-PT, 0.528
22	CITY OF FREDERICKSBURG	S	0	BOWIE		G E CO #261 0.932
23	WENGER, STANLEY R & JANELLE S	W	704	PEACH	ST	FBG ADDN BLK 1 LOT 563, 2.13, -GE0261, & TRACT UNBRD EAST OF GE0261-
24	HUTSON, JEFFREY & KATHERINE	S	804	BOWIE	ST	G E CO #700 MULTIPLE LOTS 7.627, GE261, GE262, PT OF STREET
25	712 S BOWIE LLC	S	712	BOWIE	ST	G E CO #261 4.821, -HOMESITE-AG
26	SMITH, JAMES W & MARY LOU		620	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 1-PT, 0.24, -HOMESITE-
27	SMITH, TAMMY		622	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 2-PT, 0.26, -DUPLEX-
28	SMITH, DORAN D		624	POST OAK	RD	SMITH, JAMES & DOREEN SUBD LOT 3-PT, .26, -HOMESITE-
29	DELAFUENTE, JUAN & LIZABETH		610	BLACKWATER	RD	G E CO #616 LOT UNMBR, .65, UNMBR SOUTH OF GE0616-LIZBETH MARTINEZ AREVALO DE LA FUENTE M/H LOCATED ON THIS PROP-

Perry Distribution Trust
C/O J Hardin Perry Jr.
PO BOX 669
Fredericksburg, TX 78624

Steve and Beverly Allen Revocable Trust
662 Post Oak Road
Fredericksburg, TX 78624

Craig and Susan King
812 Bowie Street
Fredericksburg, TX 78624

712 S. Bowie LLC
6115 Owens St. Ste 113
Dallas, TX 75235

Stanley and Janelle Wenger
704 Peach Street
Fredericksburg, TX 78624

Charlotte Mason Schools International
DBA Ambleside School of Fredericksburg
406 Post Oak Road
Fredericksburg, TX 78624

Gary Family Trust
421 Post Oak Rd.
Fredericksburg, TX 78624

Jesse and Susan Gonzales
103 Smith Road
Fredericksburg, TX 78624

James W and Mary Lou Smith
620 Post Oak Road
Fredericksburg, TX 78624

Susan Villarreal & Janelle Stanley
P.O. Box 292
Blanco, TX 78606

Hutson, Jeffrey & Katherine
311 CORDELL ST
HOUSTON, TX 77009

Sandra and James Lehne
1186 Bar Ranch Rd.
Willow City, TX 78675

Aurora Aguirre
630 Post Oak Road
Fredericksburg, TX 78624

MD Gathering Holdings LLC
Series 632 Post Oak Road
632 Post Oak Road
Fredericksburg, TX 78624

Victor Hugo Ochoa
633 Post Oak Road
Fredericksburg, TX 78624

Yvonne Klaerner
701 W. Live Oak
Fredericksburg, TX 78624

Timothy and Lara Bobo
714 Live Oak Street
Fredericksburg, TX 78624

Juan and Lizabeth Delafuente
644 Blackwater Rd
Fredericksburg, TX 78624

James Loyd Brown
644 Post Oak Road
Fredericksburg, TX 78624

Tammy Smith
4308 Scales St
Austin, TX 78723

Steve and Beverly Allen Revocable Trust
662 Post Oak Road
Fredericksburg, TX 78624

Doran D and Joyce Smith
624 Post Oak Road
Fredericksburg, TX 78624

City of Fredericksburg
Annexation Service Plan for
Post Oak Road Annexation Parcel

I. TERRITORY

This service plan is applicable to approximately 82.36 acres of land located along the West and East Sides of Post Oak Road, from West Live Oak to 2,800 feet North of South Bowie Street, in Gillespie County, Texas (the "Annexation Parcel"), as additionally shown on a map of the area set forth in Exhibit A.

II. GENERAL PROVISIONS

a. **Effective Term.** This service plan shall be in effect for a ten-year period commencing on the effective date of the annexation.

b. **Amendment or Renewal.** This service plan may be amended from time to time as provided by Local Government Code. Renewal of this service plan shall be at the sole option of the Fredericksburg City Council.

c. **Intent.** It is the intent of the City of Fredericksburg that this service plan shall provide for the delivery of full municipal services to the annexed area in accordance with State law. The failure of this plan to describe any particular service shall not be deemed to be an attempt to omit the provision of such services from the annexed area. The delivery of municipal services may be accomplished through any means permitted by law.

d. **Level of Services to be Provided.** It is the intent of the City of Fredericksburg to provide the level of services required by State law. The City Council finds and determines that the level of services, infrastructure and infrastructure maintenance provided within the area prior to annexation is not greater than is provided in the City. The City Council finds and determines that the services, infrastructure and infrastructure maintenance proposed by this plan are comparable to that provided to other parts of the City with reasonably similar topography, land use, and population density. The City Council finds and determines that implementation of this plan in the manner proposed will not reduce the level of fire, police, and emergency medical services available within the City.

III. SERVICES TO BE PROVIDED AT ANNEXATION

The following services will be provided within the annexed area immediately upon the effective date of the annexation. In the case of a gated subdivision, it will be the responsibility of the Property Owners Association (POA) of the gated subdivision to allow timely emergency service access and City staff access, particularly in cases where the access mechanism changes on or after annexation.

a. **Police Protection.** The City of Fredericksburg Police Department will provide police services, including criminal investigations, routine patrol, traffic enforcement, and dispatched response to both emergency and non-emergency service calls. It is anticipated that police services within the annexed area will be provided utilizing existing levels of personnel and equipment. Currently, the nearest police station is the City of Fredericksburg Police Department headquarters, located at 1601 E. Main Street.

b. **Fire Protection and Emergency Medical Services.** The City of Fredericksburg Fire Department will provide emergency fire suppression and routine fire prevention services within the annexed area. The City of Fredericksburg Emergency Medical Services (EMS) Department will provide primary EMS services within the annexed area. Firefighters may be dispatched to the scene of accidents or other medical emergencies to assist EMS personnel or to provide "first responder" services pending the arrival of EMS personnel.

c. **Solid Waste Collection.** The City provides fee based household garbage collection services to single family residences within the City. The City provides a single drop off location for recycling collection within the City. The City does not collect garbage from commercial establishments. Commercial garbage collection and disposal and/or recycling and is available from privately owned collection businesses.

The City currently provides residential garbage collection at the street curb using an automated collection system that requires use of specific collection containers. In accordance with the City's current policy, each residential garbage customer will be provided a collection container for waste disposal. The City does not currently provide recycling collection at the street curb.

Privately owned solid waste management service providers currently provide collection services within the annexed area and may continue to provide such services. Pursuant to Local Government Code, at any time before the second anniversary of the date an area is included within the corporate boundaries of a the City by annexation, the City may not (1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or (2) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable. The City will commence residential collections services prior to the second anniversary of annexation if requested to do so in writing by any property owner. Any such request must be made at least 90 days prior to the proposed effective date for initiation of City service.

d. **Maintenance of Water and Wastewater Facilities.** The annexation territory is not currently within the service area of the City of Fredericksburg. The extension of City utility services to areas not within the service area of another water or wastewater utility service provider will be provided in accordance with the City's capital improvement plan described in Article IV of this service plan, and the City's water and wastewater utility extension policies that are described in Article V of this service plan.

The City does not maintain privately owned water wells or septic or aerobic wastewater systems. Property owners who currently have water wells, septic or aerobic wastewater systems may keep them as long as they are maintained in proper working order. When City wastewater disposal facilities are available to serve existing development the City may require connection to the City system instead of permitting the installation of new septic or aerobic disposal systems. Mandatory connection to the City wastewater system will not be required where existing systems remain in good working order and do not present a threat to public health or safety.

e. **Maintenance of Roads, Streets, Street Lighting, and Drainage Infrastructure.** The City is currently not responsible for the maintenance of public roads, streets, street lighting, and drainage infrastructure in the annexed area.

The City will assume the responsibility for maintenance of public roads, streets, street lighting, and drainage infrastructure previously accepted for maintenance by official action of the Commissioners Court of Gillespie County. Any such roads, streets, street lighting, or drainage infrastructure formerly maintained by Gillespie County that become subject to City maintenance will be maintained in a condition which is at least equal to the Gillespie County maintenance standard, however, the City will not be required to reconstruct or upgrade such streets to a higher standard.

It is the responsibility of a developer to construct or provide new roads, streets, street lighting, and drainage infrastructure necessary to serve the demands of new development in the areas to be annexed. The City may accept the dedication of public streets and/or drainage infrastructure constructed in accordance with applicable development regulations of the City.

f. **Maintenance of Parks, Playgrounds and Swimming Pools.** There are no public parks, public playgrounds, or public swimming pools within the area to be annexed.

g. **Maintenance of any other Public Building, Facility or Service.** Annexation does not transfer ownership of public buildings, facilities or services, all of which should continue to be maintained or provided by the public entity that currently owns or provides them. Privately owned facilities, including privately owned and operated storm water detention facilities, are not affected by the annexation.

An appropriate City Department will be assigned to assume responsibility for the maintenance or provision of any required facilities or services which become the responsibility of the City and are not expressly provided for by this service plan.

IV. CAPITAL IMPROVEMENTS PLAN

Construction of the following capital improvements related to the annexation will be substantially completed within 2½ years, except for certain services that the City cannot reasonably provide within that period, and for which the City proposes a schedule set forth below to provide for the provision of full municipal services no later than 4-1/2 years after the effective date of the annexation.

a. **Police Protection.** No additional capital improvements are needed at this time to provide police services.

b. **Fire Protection.** No capital improvements are needed at this time to provide fire protection services.

c. **Solid Waste Collection.** No capital improvements are needed at this time to provide solid waste collection services.

d. **Water and Wastewater Facilities.** The City cannot reasonably provide full water and wastewater services to the annexed area within 2½ years. To provide for the provision of full municipal water and wastewater services to the annexed area no later than 4 ½ years after the effective date of the annexation, the City proposes a schedule set forth below:

> Water Service - Design and construction of water infrastructure including, but not limited to water lines, water valves, fire hydrants, and other appurtenances necessary.
>
> Design of water line infrastructure to be complete by May 2023.
>
> Construction of water line infrastructure to be complete by September 2025.
>
> Wastewater Service - Design and construction of wastewater infrastructure including, but not limited to gravity sanitary sewer system, and other appurtenance necessary.
>
> Design of wastewater infrastructure to be complete by May 2023.

Construction of wastewater infrastructure to be complete by September 2025.

e. **Roads, Streets, Street Lighting, and Drainage Infrastructure.** No new roads, streets, street lights, or drainage infrastructure is needed at this time. It will be the responsibility of a developer of any property to provide the new roads,streets, and drainage infrastructure necessary to serve new development within the annexed area.

f. **Parks, Playgrounds and Swimming Pools.** No capital improvements are needed at this time to provide recreational services.

g. **Other Public Buildings, Facilities or Services.** No capital improvements are needed at this time to provide other public services.

V. WATER AND WASTEWATER SERVICE EXTENSION POLICIES

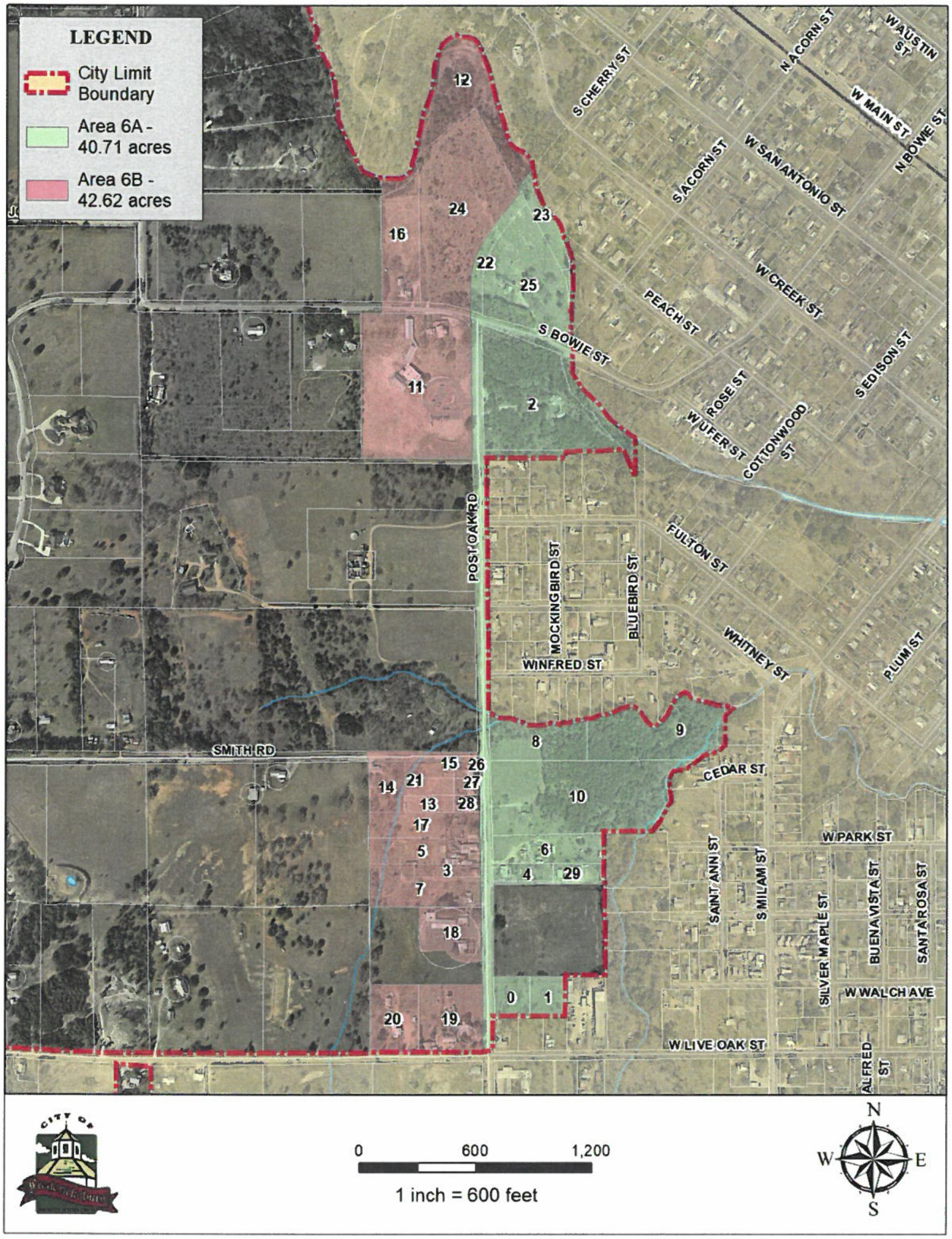
The City provides fee based water and wastewater services to the portions of the City which are not within the service area of another water or wastewater utility provider. For lots that have water or wastewater lines in an abutting street or easement, the owner may receive water or wastewater service by applying for a City tap and paying any required fees.

The provision of water and wastewater facilities for new development within the City is primarily governed by the City's building code and subdivision ordinances that are found in Chapters 14 and 94 of the City Code of Ordinances. New development must be served by owner/developer provided public water and wastewater facilities that meet the City's standard requirements. Upon construction and dedication by the owner/developer the City may agree to provide services via the facilities and thereafter to maintain them.

Facilities necessary to serve any new development are generally provided at the sole cost of the developer. Such facilities include not only those which are located within the developer's property, but also any exterior mains which must be extended to connect the property under development to the point of connection with the City's existing facilities. The City need not compensate the developer for the ordinary costs of extending exterior mains.

The City may require that the developer provide oversized water or wastewater facilities. In such cases the City will pay the reasonable cost of such oversizing. Whether or not a particular line sizing constitutes "oversizing," is determined upon the basis of generally accepted sound engineering design practices.

In newly annexed areas the City examines the need for line extensions to serve existing development that does not currently receive water or wastewater services. The City will determine the need for the construction of lines and facilities to serve existing development after giving due consideration to the topography, land use, population density, the adequacy of existing private water wells and septic tanks and anticipated levels of demand. The City will not undertake line extensions to serve such existing development unless the new lines will be logical, reasonable and prudent extensions of the City's existing facilities. From time to time, upon the request of an interested property owner the City will consider whether or not line extensions previously deemed unnecessary have become necessary as a result of changed conditions. The City may recover the capital costs of extending water or wastewater facilities to serve existing development through the use of impact fees, assessments or any other method authorized by law.



The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

CITY COUNCIL MEMO

DATE: October 19, 2021

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Resolution of Support-Grant Application to EDA

Summary:

The City has an opportunity to apply for a grant from the Economic Development Administration (EDA) for funding of over $1 million to help finance a new downtown parking facility. The deadline for submitting this grant application is October 31. A resolution supporting this grant is included on the agenda for this special meeting.

Recommendation:

It is recommended that the Council approve the attached resolution offering support for this EDA grant. A similar resolution has been approved by the EDC. The Chamber, CVB and several downtown businesses are in the process of considering submitting resolutions or letters of support for this funding.

Background / Analysis:

The EDA has recently opened new funding opportunities for tourism grants that support economic development activities in tourism-based communities. The proposed downtown parking facility qualifies for this funding which, if approved, could provide over $1 million in funding support. If the Council decides to proceed with this project, other funding support could come from HOT revenues, parking fees and possibly a parking revenue bond issue in the future.

Attachments:

Resolution of Support

Department Approval

City Manager Approval

City Attorney Approval

RESOLUTION 2021-14R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AUTHORIZING SUBMISSION OF THE ECONOMIC DEVELOPMENT ADMINISTRATION AMERICAN RESCUE PLAN RECOVERY ASSISTANCE APPLICATION, AND AUTHORIZING THE LOCAL FUNDING COMMITMENT FOR SAME, RELATED TO CONSTRUCTION OF A CENTRALIZED PARKING FACILITY IN THE CITY.

WHEREAS, the United States Economic Development Administration ("EDA") has issued the Notice of Funding Opportunity for Travel, Tourism and Outdoor Recreation, supported by emergency supplemental funding related to the FY2021 American Rescue Plan ("ARP"); and

WHEREAS, the City of Fredericksburg ("City") is in the developmental phase of a centralized parking facility, to support increased parking for visitors and tourists to the Main Street area, and to provide general parking relief for Main Street and the surrounding neighborhoods in the City; and

WHEREAS, the City desires to apply for EDA funding to facilitate construction of the parking facility; and

WHEREAS, the City has the financial, technical, and legal capacity to enter into a grant agreement and to deliver the parking facility project per the grant requirements, if awarded; and

WHEREAS, the City is committed to funding a minimum 20% local share, per the grant requirements, if awarded.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That the City Council hereby authorizes the submittal of an application for the EDA funding opportunity for Travel, Tourism and Outdoor Recreation, supported by emergency supplemental funding related to the FY2021 American Rescue Plan, and authorizes the commitment of non-federal resources to provide the local match requirement for the project, per the grant requirements.

Section 2. That the City Council hereby authorizes Kent Myers, in his official capacity as City Manager for the City of Fredericksburg, Texas, to execute the necessary documents, on behalf the City of Fredericksburg, Texas, related to the application.

Section 3. ***Severability.*** In the event any clause, phrase, provision, sentence or part of this Resolution or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional.

Section 4. ***Effective Date.*** This Resolution shall be effective upon its passage.

PASSED AND APPROVED on this the ____ day of ________________, 20_____.

____
Charlie Kiehne, Mayor
City of Fredericksburg, Texas

ATTEST:

____
Shelley Goodwin, TRMC, City Secretary

Date: October 20, 2021

To: Mayor and City Council

From: Kent Myers, City Manager

Subject: Workforce Housing Presentations

During the past several months, we have had an informal group meeting to discuss possible solutions to our workforce housing issues. These has included representatives from the City, Chamber and EDC. Recently this group has played an instrumental role in securing funds for the new Workforce Housing Coordinator position which is currently being advertised.

During several of the meetings this group has heard presentations from developers who want to develop workforce housing that includes both owner-occupied housing and rental housing. With the increased costs for labor, land and building materials that all housing developers are experiencing, building affordable housing in our community represents a major challenge. To address this challenge, they are seeking a partnership with the City that would result in a reduction of their long-term financing costs.

At the City Council Work Session on Monday we have scheduled presentations from workforce housing developers on two of these financial programs. This includes the creation of Public Facility Corporations (PFCs) and Municipal Utility Districts (MUDs). These types of financing have been used in many cities in Texas that are dealing with similar workforce housing issues.

Following the presentation at the Work Session, we will need some guidance and direction from the City Council on whether you have an interest in considering one or both of these financing options. If there is an initial interest on the part of the Council, then the next step would be to get legal guidance from outside counsel that is experienced with this type of financing. We will also want to get input from our Financial Advisor, Dan Wegmiller on how this financing might impact the City's long-term debt including our ability to issue bonds in the future.

CITY COUNCIL MEMO

DATE: October 18, 2021

TO: Mayor and City Council

FROM: Tammie Loth, Human Resources Director

SUBJECT: Salary Survey

Summary:

In August of this year, Evergreen Solutions began the process of conducting a salary survey of 12 cities and 2 public utility organizations. The suggestion of a salary survey came about at a City Council meeting earlier in the year when the discussion of hiring and retaining police officers took place. Our initial intent was to have the survey completed and the final results in time to include the implementation during our budget process. As we started investigating the preliminary results and understanding the different implementations, we came to the realization it would take more time to fully understand and evaluate the best implementation. Since we wanted to be certain the results we implemented were fair and correct and would provide a good basis for all our employees moving forward, we decided to take our time to fully understand the survey and make a recommendation to the City Council instead of rushing a recommendation in time for budget meetings.

Recommendation:

Our recommendation is described in three steps. First, we recommend the City Council approve the proposed step-pay plan for the police department. The step-pay plan for the police department assumes a starting annual salary of $56,000 for police officers after they have graduated from the academy and successfully completed their 6-month probation period and field training.

The plan includes five (5) position levels, with multiple steps in each level. The first level is for cadets who are in the police academy. The second level is for an officer in his/her probationary period, either right after graduation from the academy, or a lateral transfer employee from another city's police department. The third level is for Patrol Officers, Detectives, and School Resource Officers. The fourth level is included for a future Corporal position we hope to implement in the coming years, and the fifth level is for Sergeants. The starting pay of $56,000 was used in order to compete with Boerne PD, who we believe is one of our largest competitors for police officers. The plan assumes a 2.5% increase per year and a 10% separation in salary between the highest three levels (Patrol Officer, the future Corporal position, and Sergeant position. The police department employees who do not fall in one of the mentioned categories are addressed in the open range plan. The approximate cost to implement this step-pay plan for 9 months of this fiscal year is $117,946.17.

Next, we recommend approval of the step-pay plan for Fire and EMS. The step plan for Fire and EMS was combined into one common plan and includes an annual stipend of $2400 for an Intermediate EMT and an annual stipend of $4800 for a Paramedic. The plan includes four (4) position levels with multiple steps in each level, similar to the police plan. The first level is for Fire Fighters, the second level is for Driver/Operators, a third level is included for a future Lieutenant position, and the fourth level is for Captains. The plan assumes a 2.5% increase per year and a 10% increase between each level. To be eligible for the step pay plan an employee must have both a Fire Fighter certification and an EMT, Intermediate EMT, or a Paramedic certification. The starting annual pay (before the stipend) is $55,200. This amount was chosen to be competitive in the field. The San Antonio Emergency Service District has 14 Paramedic opening and their starting pay is $62,000. With the Paramedic certification, our starting pay would be $60,000, which we feel is competitive and will be enough to draw interest in working for the City of Fredericksburg. We have included the six new positions we will be hiring in January in the cost calculations and the approximate cost to implement the step-pay plan for Fire and EMS for 9 months of FY22 (January – September) is $119,280.58.

The open range plan is where the rest of our employees' positions and salary have been evaluated. As a result of the survey completed, Evergreen has increased the salary range in each of our pay grades by 7%. Additionally, there are four (4) implementation options and after much discussion, we recommend approval of the implementation labeled "Move toward Market (3 Tier Class Date)". This implementation is the lowest cost implementation, but that is not the reason it is being recommended for approval.

Two of the implementations options we are not recommending placed our employees in the new proposed pay ranges at the same percentage they are through the current pay range. We did not believe this was fair because if an employee has negotiated an appropriate salary due to being a new hire or receiving a promotion, it does not make sense to place them at the same level in a new pay range that is 7% higher. We felt this option would create even more separation of salaries and benefit the highest paid and newest employees the most.

The other two implementation options used years of service in the calculations, one was based on the individual's total years of service with the City and the other, which we are recommending for approval, the total years of service in their current position. We believe an employee's experience and tenure with the City should have some bearing on their salary and we believe this option proves to be the most fair and allows the most equality among our employees. As an employee moves through the pay range, it is assumed his or her knowledge increases, and their salary should be reflective of that. We believe using the employee's time served in the current position maintains consistency as employees gain tenure or are promoted.

Lastly, we believe the recommended implementation is affordable and allows for continued future COLA and/or merit increases to keep the City's salaries competitive with the market.

Costs:

Attached is an ESTIMATED cost projection for implementation of these 3 plans. The information shows the increase to wages, social security, and retirement. The amounts are estimated because the original amounts budgeted for this fiscal year include items such as PTO payout when an employee retires, early retirement incentive when an employee aged 60 or older retires, estimates for promotions and probationary pay raises, and estimated salaries for open positions. The implementation costs are also estimated because we used an average pay increase for every employee/department. You will see the estimates we used for the step-pay plans and the open-range plan at the bottom of the attached sheet. The total cost projection is $726,736 and of this amount, $429,840 is the general fund cost.

We do already have some money in the budget for the implementation costs. A 2% merit increase was included in the budget for FY22 and we will not be using all that money. Only employees that are not receiving a pay increase of at least 2% from the salary survey results will receive the merit increase. The amount of money we will have left to put towards the salary survey implementation is approximately $95,476.95 in all departments, $58,915.52 in the general fund.

Additionally, during budget work sessions an amount of $250,000 was set aside for the implementation of the salary survey and that is currently in our budget.

One additional area we will recognize some salary savings is all the positions we have and will continue to have open this budget year. Currently, we have openings in the following departments: Police, Fire/EMS, Water, Stormwater Vegetation Management, Street, Park, Sanitation, and Municipal Court. We are working to fill these vacancies but have already recognized savings from the first month of FY22 and anticipate additional savings.

The numbers that are attached are large, but because of advanced planning we will not have to actually adjust the budget by those amounts. In order to implement the salary survey results, action will need to be taken at a future meeting. We anticipate the salary changes effective on the first paycheck of 2022 and budget amendments will be brought before the Council when we have a clearer picture of exactly how much is needed.

Background / Analysis:

We have taken much care and time to evaluate the results of the survey and met with each department head and supervisor to go through the survey and the different implementations Evergreen proposed. During these meetings we also took the time to ensure the hierarchy of positions is correct and the separation of pay grades is appropriate. For those departments we felt were not in line, we asked Evergreen for their professional opinion before making any changes. This has been a tedious, but necessary, task for all involved and we feel confident we have addressed the majority of concerns for each department.

There has also been considerable work done to develop a step-pay plan for the Police, Fire, and EMS departments. These departments have worked together closely to insure they are moving forward with like plans. The employees that work shift hours and are considered first responders have been slotted into the step-pay plan at an appropriate rate, typically one step above their current salary. All other employees in the department are in the open range plan with the implementations proposed by Evergreen Solutions.

Attachments:

Police Step Plan
Fire/EMS Step Plan
Open-Range Implementation options from Evergreen Solutions
ESTIMATED difference of budgeted wages and benefits and costs for implementation of proposed step plans and open range plan

Department Approval

City Manager Approval

POLICE STEP PAY PLAN

Step Increment		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grade/Steps	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Cadet	$41,000.00														
Probationary	$54,880.00	$56,252.00	$57,658.30	$59,099.76	$60,577.25	$62,091.68									
Patrol, Det, SRO	$56,000.00	$57,400.00	$58,835.00	$60,305.88	$61,813.52	$63,358.86	$64,942.83	$66,566.40	$68,230.56	$69,936.33	$71,684.73	$73,476.85	$75,313.77	$77,196.62	$79,126.53
Corporal	$61,600.00	$63,140.00	$64,718.50	$66,336.46	$67,994.87	$69,694.75	$71,437.11	$73,223.04	$75,053.62	$76,929.96	$78,853.21	$80,824.54	$82,845.15	$84,916.28	$87,039.19
Sergeant	$67,760.00	$69,454.00	$71,190.35	$72,970.11	$74,794.36	$76,664.22	$78,580.83	$80,545.35	$82,558.98	$84,622.95	$86,738.53	$88,906.99	$91,129.67	$93,407.91	$95,743.11

Probationary will be dependent on experience. Step 1 for no experience and Step 6 for 12 plus years experience

FIRE/EMS STEP PAY PLAN

Step Increment		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grade/Steps	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Fire Fighter	$55,200.00	$56,580.00	$57,994.50	$59,444.36	$60,930.47	$62,453.73	$64,015.08	$65,615.45	$67,255.84	$68,937.24	$70,660.67	$72,427.18	$74,237.86	$76,093.81	$77,996.15
Driver/Operator	$60,720.00	$62,238.00	$63,793.95	$65,388.80	$67,023.52	$68,699.11	$70,416.58	$72,177.00	$73,981.42	$75,830.96	$77,726.73	$79,669.90	$81,661.65	$83,703.19	$85,795.77
Future Position	$66,792.00	$68,461.80	$70,173.35	$71,927.68	$73,725.87	$75,569.02	$77,458.24	$79,394.70	$81,379.57	$83,414.06	$85,499.41	$87,636.90	$89,827.81	$92,073.51	$94,375.35
Captain	$73,471.20	$75,307.98	$77,190.68	$79,120.45	$81,098.46	$83,125.92	$85,204.07	$87,334.17	$89,517.52	$91,755.46	$94,049.35	$96,400.58	$98,810.60	$101,280.86	$103,812.88

Option	Description	Pay Plan Type	Total Implementation Cost	# Employees Receiving Adjustments	Avg Salary Adjustment for Employees who receive an Adjustment	Avg Percent Salary Adjustment	Considerations for Selecting Options
Current Range Penetration	A calculation is performed to determine the percentage through the current range an employee's salary falls. The employee's recommended salary calculation will place him/her the same percentage through the proposed range. For example, if an individual is at 40% of the current range, he/she is brought to 40% through the recommended range. This option includes the Bring to Minimum cost.	General	$ 709,490.22	112	$ 6,334.73	10.7%	This option would best align with a compensation philosophy in which future salaries will be progressed based on factors other than the amount of time an employee has in the classification or the amount of time an employee has with the organization.
Current Range Penetration - Capped at Midpoint	A calculation is performed to determine the percentage through the current range an employee's salary falls. The employee's recommended salary calculation will place him/her the same percentage through the proposed range. For example, if an individual is at 40% of the current range, he/she is brought to 40% through the recommended range. This option includes the Bring to Minimum cost. This also includes the cost to bring any step-based employees to the closest step up.	General	$ 523,648.77	93	$ 5,630.63	10.2%	This option would best align with a compensation philosophy in which in the future salaries will be progressed based on factors other than the amount of time an employee has been in the classification or the amount of time an employee has been with the organization. This option "caps" or does not adjust salaries beyond the new midpoints.
Move Toward Market 3 Tier Total Tenure	Tier 1 = 1-3 Years Tier 2 = 3-7 Years Tier 3 = More than 7 Years Example: an employee's salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point if tenure were less than 3 years, but would be brought to 80% if tenure were 3 to 7 years, and to 81% if tenure were greater than 7 years. This option includes the Bring to Minimum Cost. This also includes the cost to bring any step-based employees to the closest step up.	General	$ 300,121.28	92	$ 3,262.19	6.3%	This option would best align with a compensation philosophy in which it is expected that employees' salaries will be progressed to the midpoint as the employee performs the duties of the position proficiently and satisfactorily. It does attempt to improve the position of employees' salaries that are currently below the midpoint and utilizes an employee's tenure to vary the adjustments to this position.
Move Toward Market 3 Tier Class Tenure	Tier 1 = 1-3 Years Tier 2 = 3-7 Years Tier 3 = More than 7 Years Example: an employee's salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point if tenure were less than 3 years, but would be brought to 80% if tenure were 3 to 7 years, and to 81% if tenure were greater than 7 years. This option includes the Bring to Minimum Cost. This also includes the cost to bring any step-based employees to the closest step up.	General	$ 242,522.26	86	$ 2,820.03	5.6%	This option would best align with a compensation philosophy in which it is expected that employees' salaries will be progressed to the midpoint as the employee performs the duties of the position proficiently and satisfactorily. It does attempt to improve the position of employees' salaries that are currently below the midpoint and utilizes an employee's time in classification to vary the adjustments to this position.
Step Placement (Class Tenure)	A calculation is performed that places employees on a step based upon a class tenure. One step for every year of tenure. This includes the cost to bring employees on a step plan to the new minimums, but does NOT include any adjustments associated with employees on the open range pay plan.	EMS	$ 26,861.69	6	$ 4,476.95	7.1%	
		Fire	$ 49,984.98	8	$ 6,248.12	10.7%	
		Police	$ 126,852.94	21	$ 6,040.62	11.0%	
		Total	**$ 203,699.61**	**35**	**$ 5,819.99**	**9.6%**	

FY 2022 Employee Wages and Benefits Summary

9 Month Increase

Fund	Wages	Social Security	TMRS	Total
General Fund	330,189	25,259	74,392	429,840
Electric	40,120	3,069	9,039	52,228
Water	50,846	3,890	11,456	66,191
Golf	580	44	131	755
Sanitation	34,441	2,635	7,760	44,835
EMS	85,479	6,539	19,258	111,277
Tourism	4,060	311	915	5,285
Drainage	7,050	539	1,588	9,178
Emergency Mgt	4,018	307	905	5,231
Animal Control	1,472	113	332	1,916
Total - All Funds	558,255	42,707	125,775	726,736

General Fund	330,189	25,259	74,392	429,840
Total All funds	558,255	42,707	125,775	726,736