



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

The City of Fredericksburg City Council held their regular session on Monday, October 25, 2021 at 9 a.m. This meeting was held in person at the Lady Bird Golf Course-Cardinal Room

Members Present:

Mayor Charlie Kiehne
Councilmember Jerry Luckenbach
Councilmember Tom Musselman
Councilmember Kathy O'Neill
Councilmember Bobby Watson

Members Absent:

None

City Staff Present:

Kent Myers, City Manager
Daniel Jones, City Attorney
Clinton Bailey, Assistant City Manager and Public Works/ Utility Director
Daniel Jones, City Attorney
Steve Wetz, Police Chief
Lynn Bizzell, Fire Chief
Eric Whiting, IT Director
Brian Vorauer, Police Department Lt.
Tammie Loth, Human Resources Director
Kris Kneese, Assistant Public Works Director
Laura Hollenbeck, Finance Director
Jason Lutz, Development Services Director
Lea Feuge, Public Information Director
Justin Calhoun, Emergency Management Coordinator
Jennifer Krupa, Assistant Parks Director and Special Events Coordinator
David Jung, Emergency Medical Services Administrator
Jeff Rich, Water/Wastewater Superintendant
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the work session of the Fredericksburg City Council to order at 9:00 a.m. on Monday, October 25, 2021.

2. PLEDGE OF ALLEGIANCE

Mayor Kiehne led the Pledge of Allegiance.

3. PUBLIC COMMENTS

No one signed up 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).**

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember O'Neill, to go out of the Work Session Meeting into the public hearing at 9:01 a.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Jeffrey Huston, County resident, spoke regarding the Annexation Service Plan.

Eric Hammersen, City resident, spoke regarding the process used to annex this property and the cost.

Carol Hammersen, City resident, spoke regarding the rights of citizens related to annexations.

Susan King, County resident, spoke regarding the notification process for annexations.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember O'Neill, to go out of Public Hearing and into the Work Session Meeting at 9:18 a.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Kent Myers, City Manager, reviewed the timeline and the requirements of State Law regarding annexation. He also reviewed the process the City Council used in 2019 to determine the possibly upcoming annexations.

Daniel Jones, City Attorney, reviewed the remainder of the process for the proposed annexation.

Jason Lutz, Development Services Director, reviewed the Service Plan and the timeline.

5. WORK SESSION ITEMS

- 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).**

Kent Myers, City Manager, stated the City has an opportunity to apply for a grant from the Economic Development Administrator (EDA) for over \$1 million to help finance the new downtown parking facility. He reviewed the deadline for submitting this grant application is October 31st. He noted that the Chamber, CVB, and several downtown businesses are in the process of submitting letters of support.

The City Council discussed the grant and agreed that the City needed to apply.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve 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. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

B. Consider a presentation and discussion on Workforce Housing Project (Kent Myers, City Manager).

Kent Myers, City Manager, stated that there had been an informal group that has met several times to discuss possible solutions to our workforce housing issues in the past several months. He noted several of the meetings; included presentations by developers who wanted to develop workforce housing that included both owner-occupied housing and rental.

Mark Sparrow, HK Development, and Joel Lamar, Contractor, provided a presentation regarding a Municipalities Utility District "MUD." He also reviewed the subdivision plans for Friendship Oaks. They reviewed other areas where the MUD has been successful. The City Council discussed the following:

- Cost of homes and how the MUD will effect the City.
- City's role during the construction and once it is completed.
- Goal to bring cost down.
- Benefits to homeowners.
- How the financing of bonds is structured.

Kent Myers, City Manager, stated the developer will be saving funds due to the type of tax-exempt financing that will be used. He also reviewed the next steps in the process.

Timothy Cone, US Living, provided a presentation on the establishment of Public Facility Corporation. He reviewed the different projects that they were involved in San Antonio and Cibolo (PFC). He reviewed the different sites in Fredericksburg. This tool can benefit projects other than housing.

The City Council discussed:

- Average income and who would qualify.
- Rents for two bedrooms for less than \$1,400.
- Taxes that would be waived.

Scott Brehman, Developer, provided a presentation regarding a proposed Public Facility Corporation financing for the property at 1100 Friendship Lane. He reviewed the expenses and what they wanted to offer to the City. He noted the rent would range from \$900 to 1,900.

The City Council discussed:

- How the City would be involved with this project since the developer would buy the property.
- No risk or liability to the City.
- Liabilities of the other taxing entities.

Todd Edison, Chamber of Commerce, stated the City isn't making much progress with affordable housing and need to consider some of these options.

C. Consider a presentation and discuss the Salary Survey and make recommendation on Employee Salary Adjustments (Kent Myers, City Manager).

Angela Yazbec, Evergreen Solution, provided a presentation regarding the steps and results of the Salary Study. She reviewed the Cities that were used in the Study. She reviewed scenarios of how the proposed increase will affect employees.

Tammie Loth, Human Services Director, reviewed the Police and Fire/EMS Step Pay Plan steps.

EMS/Fire Department

Justin Calhoun, EMS Operator, reviewed how the steps were developed.

The City Council discussed the following:

- Employees who perform up to expectations but still get a step process.
- Base pay, stipend, COLA, and merit

Police Pay

Braxton Roemer, Lt. Police Department, reviewed the proposed Police Pay and steps. He also compared the new proposed steps to other Cities.

Steve Wetz, Police Chief, reviewed the need for a Corporal position in the future and the process that will be used for promotions.

Open Range Employees

Tammie Loth, Human Resources Director, reviewed the salary survey and noted 86% of employees will be affected by the salary study increase.

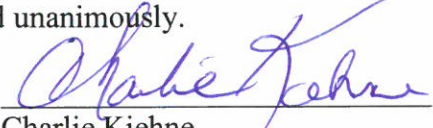
The others will get a 2% merit increase. Salary range increases are from \$89 to \$12,000.

Kent Myers, City Manager, stated the City Manager, City Attorney, and Municipal Judge salaries are set by City Council., so they are not included in the survey increases. He reviewed the FY2022 Employee Wages and Benefits Summary. He also reviewed the open positions. The City Council discussed the following:

- The cost Citywide.
- Budget impact on EMS
- The amount of money that needs to be in place for FY2022 implementation.
- If need to amend the budget, the funds could come from reserves or extra Sales Tax revenues collected.

6. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Luckenbach, to adjourn the October 25, 2021 Work Session at 12:15 p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.


Charlie Kiehne
Mayor


Shelley Goodwin, TRMC
City Secretary