

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF JUNE 29, 2009

A special meeting of the City Council of the City of Castle Hills was held at 5:30 p.m. on Monday, June 29, 2009, in the Community Room at City Hall, 209 Lemonwood Drive, Castle Hills, Texas.

I. OPENING

- A. QUORUM - Present and composing a quorum of the City Council were Mayor Marcy Harper, Douglas Gregory, Steve McGuire, Tom Davis, Bruce Smiley-Kaliff, and Marcella Huff.

Staff present was City Manager Mike Rietz, Assistant City Manager Rita Hoyl, City Secretary Linda Gill, Fire Chief Jerry Riedel, Public Works Director Rick Harada, and CID Detective Mark Pardaen for Police Chief Donny Davis.

II. ANNOUNCEMENTS - None

III. REPORTS - None

IV. BUDGET WORKSHOP

PRESENTATION AND DISCUSSION OF THE PRELIMINARY FY 2010
BUDGET FOR THE CITY OF CASTLE HILLS.

Council members continued where they left off at the previous budget meeting with Court Tax expense under Municipal Court. Referring to the court administrator's memo in the council packet, Mr. Rietz explained that court tax expense is a pass-through account and is offset by court tax income. He said it is a combination of several court fees as explained in Ms. Reyes memo.

Ms. Reyes said that she was able to lower the budget for the court's Printing and Supplies from \$4,000 to \$3,000 because of an update to the Municipal Court software that allows her to print case jackets on plain white envelopes, eliminating the need for an outside printer.

Mr. Rietz said that, due to more accurate handling of cash, the amount budgeted for refunds is reduced from \$700 to \$500. Miscellaneous and Credit Card Fees were split into two accounts. He noted that items 5140 through 5143 are an increase to last year's budget, mainly in the area of Training and Development.

He commented that he did not foresee much expense in Jail Costs. Ms. Reyes explained to the council that jail costs were almost non-existent last year because they result from arrests, and the city has not had a warrant officer for some time. Detective Pardaen said that a warrant officer has been hired.

Moving on to the police chief's memo, increases in the budget for uniforms, training, crime prevention, miscellaneous, building maintenance and jail booking fees were discussed. Detective Pardaen explained in detail what the training budget included, especially the city's SWAT team. Councilman McGuire asked Detective Pardaen to provide more clarity regarding the number of hours per month the SWAT team spends training and then convert that to dollars. The mayor suggested looking back at the hours in the previous five years. Councilman Davis remarked that not all training is for SWAT. He said he would like to know how many hours of training are not for SWAT.

Mr. Rietz indicated that the budget for Crime Prevention was decreased \$1,000 due to the \$2,000 line item for it in the Crime Control & Prevention District budget.

Council member Huff inquired as to why the miscellaneous expense account was consistently over budget. She suggested going back and finding out why it has been over budget by identifying what it was spent for, rather than just adding \$1,000 keep it within budget. Mr. Rietz said that could be done.

Council member Huff remarked that building maintenance needed to be analyzed also. Mr. Rietz said that every year an unplanned air conditioning failure or repair of another large item has caused an overage in the building maintenance expense. The extra \$500 is an attempt to get it closer. The mayor commented that someone should be called to look at the city's air conditioning and give them a plan of what to expect or what may be needed so they can budget for it. Public Works Director Harada mentioned that the heating units are tied into the air conditioners.

Mr. Rietz said that the last item on the police chief's memo is for jail booking fees. He recounted how the City of San Antonio had led them to anticipate much higher fees than the last two years have reflected. He recommended lowering the budget by \$3,000 to \$5,000.

Mr. Rietz directed everyone to the fire chief's memo. He noted that Chief Riedel expressed some thoughts about salary and benefits. Mr. Rietz indicated that he had sent out a survey of salary and benefits to other cities and had received about eight or nine back. He said there are four or five he needed to follow up with. He said the council would then have something comparative to look at regarding what other cities in the area are doing. Council member McGuire suggested parking Fire Department salaries until they see what the bottom line is. They can discuss all personnel issues at the end.

The next item addressed was the chief's vehicle, a 2003 Ford F150. Chief Riedel indicated that he was not having any trouble with his vehicle, but it was put on five year rotation for replacement. He suggested the purchase of \$18,000 to \$22,000 could come out of the fund for future vehicle purchases where they have been setting aside \$50,000 a year. Mayor Harper said, if the chief had not been having trouble with it, why not wait until next year and get a raise this year. Councilman Smiley-Kaliff pointed out that the cost would not be an increase to the budget because the funds have been set aside. It will only lower the balance in that fund. Councilman Gregory recalled that the \$50,000 being set aside was for the \$1,000,000 fire truck the city would need to buy in about 10 years. The consensus of the council was that they needed to be very careful about using that fund. Mr. Rietz said that he increased the amount set aside in the proposed budget to \$60,000 in 2010. Council members discussed the option of buying a used vehicle with an extended warranty. Discussion ended with the chief's agreement that the purchase could wait a year.

Chief Riedel referred to the third section of his memo and pointed out expenses that need to be planned for in the near future. He said he had applied for a grant, but it would be later this year before he would hear anything. He mentioned that replacement of the Jaws of Life tool (\$32,000), replacement of at least three self contained breathing apparatuses (\$82,000), and replacement of large and small diameter hose that are 8 to 30 years old (\$13,500) are expenses that should be anticipated and budgeted if a grant is not awarded. Chief Riedel said that he had increased Fire (Equipment) in Capital Expenses from \$21,000 to \$23,000 to cover the needed hoses. Councilman Gregory complimented the chief for reducing his budget by almost 4% from 2009 to 2010.

The last item addressed for the Fire Department was Medical Expense, which the chief lowered by \$6,000. He said that amount was added last year for physicals, but the health insurance will cover physicals. He said that the remaining \$500 in that account would cover incidental medical expenses.

The council discussed employee health insurance and other options that may be available. Councilman Smiley-Kaliff commented that plans such as Aetna and Blue Cross/Blue Shield are going to be very similar in cost. He said that there are new participatory plans that are cutting edge, and the city could get creative and maybe lower the cost by about 20%. Mr. Rietz explained that the city paid 100% of the employee premium up to a certain fixed amount. Council member Huff suggested the city could pass on 25% of the employee premium to the employee. Councilman Smiley-Kaliff responded that cutting the amount paid by the city would be equal to cutting pay. Council member McGuire pointed out that employee pay, benefits, and retirement all needed to be looked at; but at the end of the day, employees would need to know that they are doing better next year than this year. Councilman Gregory remarked that the economic reality is vastly different than anything any of them have seen before. To expect to do better next year is wishful thinking. Mayor Harper said they need salary surveys before the budget is finalized. Mr. Rietz said that they

would have them in August. Councilman Gregory said that salaries and benefits, which are 80% of the budget, are essential and should be looked at first. Then whatever is left over can be allocated to the other 20% of the budget. Council member Huff said that the 20% is not going to fund the 80%. She reiterated that the 80% will fund the rest of the budget. Councilman Davis said they don't know yet what the total budget will be to figure out the 80% amount.

Council member Huff asked Mr. Rietz if anything had been done since the last budget workshop when they decided that they wanted to look at other agents. He explained the Request for Proposal (RFP) procedure and said that he had contacted four other cities to get copies of the letters they sent out. He just needed to craft an RFP for Castle Hills. Councilman Smiley-Kaliff said that the city needed to withdraw its letter naming Crandall & Associates its agent of record; and that would allow other agencies, along with Crandall, to give the city bids. He added that they may need to do a conditional letter of agency by product rather than a blanket letter like they have now. Council member Huff asked Mr. Rietz when the letter would go out. He answered that he could send it out tomorrow.

The council proceeded to go through the budget by line item. Mayor Harper asked what other cities charge for a commercial Certificate of Occupancy. Ms. Hoyl offered to find out. Council members suggested Animal Impound/Registration should be lowered to \$2,500 from \$3,500. Mr. Rietz explained that the first round of billing for EMT fees had just gone out and amounted to about \$1,500 for the first half of the year. So he put \$3,000 in for the year and 10 accidents at \$1,000 each for a total of \$13,000. Councilman Gregory said that he thought that the city ordinances should specify interest and penalty if EMT fees are not paid within a certain time. He suggested that they look at adding that to the ordinances at the next council meeting.

Ad valorem taxes were discussed. Mr. Rietz said that they would not get the effective tax rate or the roll back rate until late July. He explained that the effective rate is the rate used to calculate the same amount of tax dollars as the previous year, and the roll back rate is 8% higher than the effective rate. Councilman Davis said that the tax rate would need to go up.

Mayor Harper moved on to expenses. She requested a copy of all the city engineer's bills that the city has been reimbursed for. She opened discussion regarding the amount the city pays the city building inspector. Ms. Hoyl said the inspector does work for seven other cities. She indicated that she was able to talk to four out of the seven today and found that all of them pay him per inspection. Mayor Harper said they would consider the inspector's salary when they address salaries and benefits.

The council decided to park \$7,600 for Office Equipment/ Software Purchases until they decide what plans are going to be for the current software that has not

been implemented. They requested that the website maintenance be separated out of Administrative Maintenance-Land/Building/Equipment. Councilman McGuire suggested separating Dues from Miscellaneous Expense. Election Expense was reduced to \$3,500, and the possibility of charging Bexar County for the use of the city facilities was discussed.

There was brief discussion of Municipal Court expenses and no changes were made. Moving on to the Police Department expenses Detective Pardaen explained that policemen provided their own guns. Mr. Rietz said that he would identify what type of equipment went into Equipment Purchase. He guessed that it was smaller equipment because the CCPD paid for most of the larger equipment purchased for the Police Department. The council decreased Printing/Office Supplies to \$5,000 from \$8,500. They reduced Medical to \$3,000 from \$6,000 and Equipment Leases to \$4,000 from \$5,000. Council discussed expenses that may be put in the CCPD budget. The mayor said that could be decided at the August meeting for CCPD, and Mr. Rietz could bring the information back to Council. Dispatch Miscellaneous was lowered to zero. Council decided they needed information regarding Miscellaneous (Dues, Reimbursements).

Council members agreed to meet for the next budget meeting on July 27th at 5:30 p.m.

V. ADJOURNMENT

Mayor Harper adjourned the meeting at 9:07 p.m.

These Minutes were approved on the 27th day of July, 2009.

APPROVED:

Marcy Harper, Mayor

ATTEST:

Linda Gill, City Secretary