

CITY OF CASTLE HILLS  
CITY COUNCIL SPECIAL MEETING  
MINUTES OF AUGUST 3, 2010

A special meeting of the City Council of the City of Castle Hills was held at 6:00 p.m. on Tuesday, August 3, 2010, in the Community Room at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas, 78213.

The attendance roster included Jeanne Geiger, Jerry Jarowitz, Terry Carter, Robbie Casey, Helen Glass, Susan Kilgore, Evangeline O'Sullivan, William Schluter, Helen Schluter, LaVerne Japhet, Christina Randolph, Aimee Hassan, Martha Zavala, Lance Bonnette, Wendy Reyes, Jim Poage, Bob Anderson, Rodney Mooers, Wayne Waggoner, Stephen Anderson, Steve Hart, and Rose Cortes.

I. OPENING

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

Staff present was Interim City Manager Rita Hoyl, City Secretary Linda Gill, Police Captain Wayne Davis, Fire Chief Jerry Riedel, Assistant Fire Chief Mike Fincke, and Public Works Director Rick Harada.

II. ANNOUNCEMENTS - None

III. REPORTS - None

IV. BOND WORKSHOP

DISCUSSION AND CONSIDERATION OF BOND ISSUE SIZE AND ELECTION FLYER.

Mayor Harper called the meeting to order at 6:00 p.m. Interim City Manager Hoyl opened discussion of the bond issue. She said that Ann Berger of First Southwest suggested that City Council decide on the size of the bond needed so that the flyer can be printed and the ordinance calling the election can be prepared. She said that the last day the election can be called is August 24, 2010 and proposed that the council call the election on August 10<sup>th</sup> at the regular city council meeting.

Council members discussed what the bond amount should be. Councilman Gregory mentioned that one of the applicants who interviewed for City Manager explained how he fixed the streets in his city at a lower cost by hiring a retired TxDOT engineer and renting the equipment so that the work could be done in-house. Mr. Gregory said that he would support the bond for reconstruction of city streets, but not resurfacing. He said that a substantial amount of money can be saved by doing the resurfacing work in-house. Council member Huff commented that it was worth considering.

Discussion continued with Councilman McGuire suggesting \$15,000,000 to fix the major problem streets. He figured every street repair over 4-5 thousand dollars added up to \$12,500,000. There was general agreement concerning the areas where pavement reconstruction and drainage were needed. They noted that the cost to repair drainage at Carolwood and Banyan both was over \$6,000,000. Councilman Gregory suggested taking a look at a second bond later when work is completed with the first. Mayor Harper commented that she was adamantly opposed to spending that much money on underground drainage on Carolwood. Discussion ended with the council instructing Ms. Hoyl to set the bond at \$12,500,000.

## V. BUDGET WORKSHOP

### PRESENTATION AND DISCUSSION OF THE PRELIMINARY FY 2011 BUDGET FOR THE CITY OF CASTLE HILLS.

Ms. Hoyl thanked Captain Wayne Davis for providing sandwiches from Jason's Deli for the meeting.

Ms. Hoyl explained that the second draft budget presented to City Council at this meeting indicated a deficit of \$201,000, which is down from the \$460,000 deficit presented in July. She turned attention to an accounting of the adjustments, suggested by City Council and Staff that were implemented at the July 12<sup>th</sup> budget workshop. Eliminating one part time employee each in the Administration and the Street Departments, not filling an opening for one patrol officer in the Police Department, freezing salaries for the Police and Fire chiefs, reducing the amount set aside for a Fire rescue vehicle, and removing funds to purchase a rescue tool (jaws of life) added up to a \$166,426 reduction in the budget. For the benefit of the audience, Ms. Hoyl read a list of the changes to employee salaries and benefits, revenue estimates compared to 2010, and expected changes in expenses by departments.

The Public Works director responded to questions from Mayor Harper concerning the impact that losing one of his seasonal employees would cause. He stated that the work would get done, but not as quickly; and the more important tasks would override those less critical.

Councilman Davis mentioned that giving the employees a 2% cost of living allowance, then deducting 10% of their health insurance premiums would almost be a wash. He said he would like to give a 3% increase. Councilman McGuire said that

the council's concern was to balance the budget. He said they could give 3%, if it can be taken from some place else in the budget and not add to the deficit.

Ms. Hoyl said that she was told by the health insurance broker to expect a 20% increase in employee premiums due to the large claims experience the city had in the past two years. She said that she instructed the broker to shop the market for a lower policy premium, using a higher deductible, if necessary. Ms. Hoyl said she should have that information at the next budget meeting, and the broker, Ms. Whitaker will be there.

Ms. Hoyl went through the city's revenue accounts, explaining increases and decreases. The largest increase, for Shavano Dispatch Services, amounts to a \$20,000 increase over 2010. She said that the increase represents what Shavano Park should pay, according to the number of calls they have. Ms. Hoyl stressed that the city should not back down from the \$68,000 per year. Captain Wayne Davis said that, if Shavano Park declines the increase to \$68,000 per year, the part time hours in dispatch may be negotiable. He said that he recalls adding only 1,000 hours for part time dispatchers when the city started dispatching for Shavano Park. He added that Dispatch is running shorter than any other entity in the area. He said it is the hub of the city, and it cannot be cut if they lose Shavano Park. Captain Davis clarified for the council that Dispatch will cost the same in personnel whether they dispatch for Shavano Park or not, except for a portion of the part time hours.

Ms. Hoyl said that she talked with the company that does towing for the city, and it is possible the city could have a towing agreement with them and collect 25% of the towing fees when a vehicle is towed for a "proof of insurance" violation, expired registration, or no valid inspection sticker. She said that Chief Davis is looking into it and should have the information at the next meeting. Ms. Hoyl said San Antonio and other area cities have towing agreements in place.

Ms. Hoyl presented the council with three options for lowering the deficit by cutting personnel or removing certain line items. She indicated a budget with a surplus of \$368 in Option 3. She eliminated the newsletter and post card mailings, increased garbage fees to \$25 per month, removed money set aside for a new fire truck and rescue vehicle, eliminated weekly brush pick-up, eliminated the second seasonal employee in the Street Department, changed the court clerk's position from full time to part time, removed the Incode software lease, and incorporated a 15% employee contribution toward health insurance.

Mayor Harper remarked that she wanted to leave garbage and brush pick-up as is, maybe increase the fee by \$2 per month. She said she wanted to study other cities' software before budgeting for Incode. Councilman Gregory asked Ms. Hoyl to provide a cost benefit analysis regarding Incode at the next council meeting. Council members agreed that they needed to talk further about the employee contribution to health insurance, but required more information from the broker. Council member Huff stated that she would not take anything away from Municipal Court.

Councilman McGuire recommended letting Ms. Hoyl put in the changes to the budget that had been discussed and see what the information is on health insurance. He added that the budget may not be balanced, but they are closer.

VI. ADJOURNMENT

Discussion ended, and Mayor Harper adjourned the meeting at 8:47 p.m.

These Minutes were approved on the 14<sup>th</sup> day of September, 2010.

APPROVED:

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Marcy Harper, Mayor

ATTEST:

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Linda Gill, City Secretary