

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF SEPTEMBER 2, 2008

The City Council of the City of Castle Hills convened at 6:10 p.m. on the 2nd day of September, 2008, in the Council Chambers at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas.

The attendance roster included William Beuhler, Bill Martin, Helen B. Glass, and LaVerne Japhet.

I. OPENING

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

Staff present was City Manager Mike Rietz, Assistant City Manager Rita Hoyle, Police Chief Donny Davis, Fire Chief Jerry Riedel, Public Works Director Rick Harada, and City Secretary Linda Gill.

- B. CONSIDERATION OF THE MINUTES OF THE SPECIAL CITY COUNCIL MEETING HELD AUGUST 28, 2008.

The mayor deferred the August 28, 2008 Special City Council Meeting minutes until September 9, 2008. No action was taken.

II. ANNOUNCEMENTS – None

III. REPORTS – None

IV. PUBLIC HEARING

Mayor Harper said that she was going to begin with Item B and open the Public Hearing on the budget first.

- B. PUBLIC HEARING AND COMMENT ON THE PROPOSED FY 2009 ANNUAL BUDGET FOR THE CITY OF CASTLE HILLS.

The mayor opened the public hearing and explained that the council had just come from a workshop and had discussed changes to certain line items in the budget. She invited comments from the public and the council members.

Motion: Councilman Gregory moved to reduce City Hall Improvements in the FY 2009 budget to zero. Councilman Smiley seconded the motion. The motion carried unanimously.

Motion: Councilman Howell moved to change the cost of living increase to employee salaries from 3%, as currently stated in the proposed budget, to 4 1/2%. Council member Davis seconded the motion. Discussion followed.

Council member Huff opened discussion indicating that she was not necessarily opposed to the increase, but she preferred to look at sources of revenue to fund the cost of living increase and amend the budget in December. Councilman Gregory concurred, saying he thought the council needed more information. He agreed with the 3% increase, but he said it could be raised to 4 1/2% later. He recommended having another workshop in November and raising the cost of living increase accordingly in January by amending the budget. He was opposed to giving the increase without knowing where the money would come from. He said he did not want to spend the money before they get it.

Mayor Harper remarked that they needed to give more than 3%, adding that they have good employees; and the cost of living has gone up more than 3% and could go up again in the next couple of months. She said that she did not see a windfall coming and felt that it was time to give more than 3%.

At Councilman Howell's request, Chief Riedel gave a brief explanation of how the Rescue Recovery program works. The chief estimated that it could amount to as much as \$20,000.00 to \$60,000.00 in revenue per year.

Councilman Howell commented that the cost of living raise has been talked to death, and he didn't understand why there was a question of where the money was going to come from. He said, for the first time, they are looking at tacking a fee on first-responder calls the Fire Department makes. He said that will bring in \$60,000.00. Mayor Harper proposed also using the Oak Wilt Fund to help cover it by changing the ordinance that says what the money is to be used for.

Council member Smiley indicated that he did not like the way the budget process was carried out. He said that the council had talked about the workshop that was held tonight about two months ago, but it wasn't scheduled until now. The council did not have enough time to consider the issue before voting on it tonight. He suggested the process be different next year.

Councilman Davis said that the council had talked about several items that will provide funds. He remarked that he did not think the council should put the deficit on the employees' backs.

The mayor called for a vote on the motion to adjust Employee Salaries from a 3% cost of living increase to a 4 1/2% increase over fiscal year

2008. The motion carried 3 to 2. Council members Gregory and Huff opposed the motion.

- A. PUBLIC HEARING AND COMMENT ON THE PROPOSED 2009 TAX RATE TO BE CONSIDERED BY THE CITY COUNCIL ON SEPTEMBER 9, 2008, AT 6:00 P.M. AT THE CITY OF CASTLE HILLS CITY HALL, 209 LEMONWOOD DRIVE, CASTLE HILLS, TEXAS.

The mayor opened the public hearing at 6:38 p.m. and asked the public to come forward with comments.

William Beuhler of 124 Cas Hills expressed his agreement with Councilman Gregory and said the council should have postponed the 4 1/2% cost of living increase. He said that he thought the city had been riding the 10% increase in property values; and he said the council should consider raising the tax rate this year, or next year they may be dealing with a rate that causes a rollback election.

Bill Martin of 113 Cobblestone said the primary thing to have a look at is the employees. He said the city needs to take care of them first. If taxes have to be raised, so be it. He said the tax rate was 54 cents when he was mayor. No action was taken.

V. OLD BUSINESS – None

VI. NEW BUSINESS

- A. ACTION ACKNOWLEDGING THE FY 2009 BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$140,000.00 OR 7.3%; AND OF THAT AMOUNT, \$20,588.17 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Motion: Councilman Smiley moved to approve an ordinance ratifying that the FY 2009 budget will raise more total property taxes than last year's budget by \$140,000.00. Council member Davis seconded the motion. The motion passed unanimously. The ordinance as approved and passed is captioned as follows:

ORDINANCE NO. 1006

AN ORDINANCE RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE 2009 FISCAL YEAR BUDGET.

(A copy of Ordinance No. 1006 is attached and made a part of the Minutes)

B. CONSIDERATION OF AN ORDINANCE ADOPTING THE FY 2009 ANNUAL BUDGET FOR THE CITY OF CASTLE HILLS.

Motion: Councilman Smiley moved to approve an ordinance adopting the FY 2009 annual budget for the City of Castle Hills. Councilman Davis seconded the motion. The motion passed unanimously. The ordinance as approved and passed is captioned as follows:

ORDINANCE NO. 1002

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF CASTLE HILLS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009 AND ENDING DECEMBER 31, 2009 AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF CASTLE HILLS FOR THE 2009 FISCAL YEAR.

(A copy of Ordinance No. 1002 is attached and made a part of the Minutes)

VII. ADJOURNMENT

Mayor Harper adjourned the meeting at 6:45 p.m.

These minutes were approved on the 14th day of October, 2008.

APPROVED:

Marcy Harper, Mayor

ATTEST:

Linda Gill, City Secretary