

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF SEPTEMBER 19, 2011

The City Council of the City of Castle Hills convened at 6:00 p.m. on the 19th day of September, 2011, in the Council Chambers at 209 Lemonwood Drive, Castle Hills, Texas.

The attendance roster included William Beuhler, Jr., Bill Martin, Michael and Christine Catalani, Jack Joyce, Pat Butler, and Frank Paul.

Staff present was City Manager Michael Steele, Assistant City Manager Rita Hoyl, Police Chief Donny Davis, Fire Chief Jerry Riedel, and Public Works Director Rick Harada.

I. OPENING

A. QUORUM

Present and composing a quorum of the council were Bruce Smiley-Kaliff, Tom Davis, Douglas Gregory, Steve McGuire, Marcella Huff, and Tim Howell.

II. ANNOUNCEMENTS-None

III. REPORTS-None

IV. OLD BUSINESS-None

V. NEW BUSINESS

A. CONSIDER AND ACT UPON AN ANNUAL HEALTH BENEFITS PLAN FOR CITY EMPLOYEES.

Responding to inquiries from Councilman Gregory, Mr. Steele explained that the next lowest bid for health insurance was \$48,000 higher than the proposed plan. He said the city does not pay 100% of the benefits for employees. He said employees pay one of the highest deductibles in the county for health insurance, they pay for all dependents' premiums, and for dental insurance if they choose to have it. Council member Huff countered with the fact that the city does pay 100% of the employee premium, which Councilman Gregory was referring to. She said there was no discussion during this budget process about phasing in employees contributing to some of the premium and she wondered why. Council member Huff said the council had talked about looking into employee participation in the past years, but did not discuss it this year.

Councilman Howell said that he supported paying 100% of the employee premium. He commented that the \$2,000 deductible is very high. Councilman McGuire indicated that national health care costs are out of control, and since the budget is balanced, he supports paying the employee premium this year and looking next year into Health Savings Accounts for employees.

Motion: Council member Huff moved to approve the health benefits plan for city employees as

proposed. Councilman Gregory seconded the motion. The motion passed unanimously.

B. CONSIDER AND ACT UPON AN ORDINANCE ADOPTING THE FY 2012 CITY BUDGET.

Councilman McGuire stated that he is against the budget that is proposed, but he is going to vote for it. He said the process this year was different from the past two years and did not work, so the council has learned lessons from it. He said his challenge to the city manager is to pay very careful attention to detail and stay within the revenue stream, even though the sales tax revenue was budgeted at a very optimistic level. Councilman McGuire said he was the one who raised the sales tax revenue from \$850,000 to \$950,000. He added that next year they need to approach the budget process a little bit different. He said he is in favor of change and being creative and moving forward, but they need to take the lessons learned this year and incorporate them next year.

Council member Huff remarked that she is very disappointed in the budget that was produced. She said that she is not against change, but change for the sake of change is not necessarily a good thing. She said that it is the responsibility of the council to know what is in the budget, and the council was taken out of the budget process. She indicated that the budget process was only half way, and because of that, and because she has a low confidence of what is in the budget; she cannot vote on this budget as it stands.

Councilman Gregory said he expects this budget to have a substantial shortfall. He does not expect it to be balanced. He said that he hopes he is wrong, but he cannot see the sales tax revenue increase that is budgeted. He indicated that he has real reservations that the council has done what it has a fiduciary responsibility to do. Councilman Gregory said the budget is artificially balanced, and he will have a hard time voting for this budget.

Motion:

Councilman McGuire moved to pass an ordinance adopting the FY 2012 City Budget. Councilman Davis seconded the motion. The motion carried 3 to 2. Council members Gregory and Huff cast the opposing votes. The ordinance as passed and approved is captioned as follows:

ORDINANCE NO. 1077

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF CASTLE HILLS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012 AND ENDING DECEMBER 31, 2012 AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF CASTLE HILLS FOR THE 2012 FISCAL YEAR.

(A copy of Ordinance No. 1077 is attached and made a part of these minutes.)

C. CONSIDER AND ACT UPON AN ORDINANCE ADOPTING A TAX RATE OF \$.501345 FOR THE 2011 FISCAL YEAR.

Motion: Council members declined discussion, and council member Huff moved to pass an ordinance adopting a tax rate of \$.501345 for the 2011 fiscal year. Councilman McGuire seconded the motion. The motion passed with a unanimous vote.

VI. ADJOURNMENT

Mayor Smiley-Kaliff briefly acknowledged the council, city staff, and the public for their hard work and participation in the budget process.

Motion: Council member Huff moved to adjourn the meeting. Councilman McGuire seconded the motion, which passed unanimously.

The meeting was adjourned at 6:25 p.m.

These minutes were approved on the 11th day of October, 2011.

APPROVED: _____
Bruce Smiley-Kaliff, Mayor

ATTEST: _____
Linda Gill, City Secretary