

The Regular Council Meeting of September 23, 2014 was called to order at 6:30 p.m.

MAYOR

Ron Reinhard

OTHERS

Shannan Kinsley
Chief David Bejar
Chris Mikel
Don Reddout
Don Zook
Gigi Duke
Susan Beavin
Brenda Reinhard

Bruce Houston
Lou Hoffman
Freda Hoffman
Mandie Waldrop
Jeff English
Chris Kane
Murry Hughey
James Henry Frazar
Joni Simon

COUNCILMEMBERS

Don Nettle
Jennifer Nottingham
Mitch Thornton - Absent
Lynn Tiner
Jeff Waldrop

Mayor Reinhard declared a quorum with Councilmember Nettle, Councilmember Tiner, Councilmember Waldrop and Councilmember Nottingham present. Mayor Reinhard stated Councilmember Thornton is out of town on business and would be absent this evening.

APPROVAL OF MINUTES

The minutes of the August 26, 2014 Regular Council Meeting were reviewed. The motion to approve the August 26, 2014 minutes as written was made by Councilmember Nottingham, seconded by Councilmember Tiner and passed with 3 YES and 1 ABSTAINING by Councilmember Waldrop as he was not present at the meeting.

The minutes of the September 16, 2014 Budget Public Hearing were reviewed. Councilmember Nottingham stated on page 2, 14 lines up from the bottom, where it states “everyone of them” the record should be changed to reflect “every Councilmember”. Councilmember Nettle stated on page 2, 2 lines up from the bottom, where it states “defined” the record should be changed to reflect “finite”. The motion to accept the September 16, 2014 minutes with the two corrections noted was made by Councilmember Nottingham, seconded by Councilmember Nettle and passed unanimously.

PRESENTATIONS BY CITIZENS AND VISITORS

Bruce Houston stated he has lived in Grey Forest for 21 years and every year the Fire Department wants more and more. He stated this has to stop at some place. The Fire Department needs to get reasonable with what the City should provide and City Council needs to act responsibly.

Lou Hoffman thanked Council for providing the budget worksheets that they’ve used to make up this year’s budget. He stated Council has worked to keep the Public Works budget relatively flat. They contrast sharply with the Fire and Police Department budget graphs that show year after year of steady increases. From 2010 to 2015 the Fire Department has had a 135% increase and the Police Department a 21.4% increase. Lou Hoffman asked how this is warranted. He stated they’ve recently learned that time spent by the Police, Public Works and Administration is not being accounted for in this budget. He feels it would be best if the Mayor/Council did a do over for this year’s budget proposal or at the very least, he hopes to see some dissenting votes on the budget this year instead of the usual rubber stamp by all.

Don Zook stated many of you are friends and all are neighbors so you have to find a common ground. He thinks he speaks for many that we have a strong Police force. Crime is coming to us; we’ve recently had some events in our City. He appreciates the professional and personal support of Chief Bejar and his officers. He’s very pleased with our Public Works staff and our City Secretary. Don Zook stated he’s very proud with the rapid response and professionalism of our Grey Forest Volunteer Fire Department. With this being said, he asks that they look at their roots. When times were tough, the City trained them as young men and women, helped them with their careers and fought hard to build a station across the street. Again, he’s very proud of their services but thinks we’ve paid our dues. Last, anyone that would approve a tax hike in a City that owns a 50 million dollar gas company should have to go door to door to apologize to the citizens for non-representation. Mayor Reinhard stated it’s not an increase in the tax rate, it’s an increase in the tax

revenue and requires specific wording according to law. Mayor Reinhard stated he knows it's misleading but we are required to word it specifically this way. He stated we can further discuss this topic under Agenda Item No. 4.

MAYOR ANNOUNCEMENTS/FINANCIAL REPORTS

Mayor Reinhard stated we are about 91% through the year. He doesn't see any notable items that weren't previously addressed and most expenses are below budget.

COUNCIL/STAFF ANNOUNCEMENTS

Councilmember Nottingham stated Scenic Loop~Boerne Stage Alliance continues to work on the plinth and are still taking donations. WIAC hasn't met. The Madla Board meets this coming Sunday. They are open meetings and welcome all to attend.

POLICE DEPARTMENT ACTIVITY REPORT

Chief Bejar reviewed the August 2014 Monthly Activity Report. He stated it's important to remind everyone to report suspicious activity.

PUBLIC WORKS ANNOUNCEMENTS

Chris Mikel reviewed the August 2014 Monthly Activity Report. He stated with the summer over and Jacob going back to school, he's hired Bryant part time to work about 19 hours a week

GFU UTILITY ANNOUNCEMENTS

Mayor Reinhard stated Jeff English would be present later in the evening for an agenda item on appointing a Boardmember to the GFU Board of Trustees. He stated the utility continues to have a good year. Income continues to hold steady. The wells are in good condition. We are still in Stage 1 Voluntary Restrictions and ask that everyone please continue to conserve water. Councilmember Waldrop stated we need to be aware of the bigger picture. He stated the problem with water is not because of our citizens, it's because of what's going on around us outside the City.

FIRE DEPARTMENT REPORT

Don Reddout stated there were 7 calls in the City in August; 4 EMS and 3 Fire/Other remembering that if it's not medical, it falls under Fire. He stated its a little increase in what their average was last year.

NEW BUSINESS:

1. DISCUSS AND ACT ON ORDINANCE NO. 208 MAKING APPROPRIATIONS FOR SUPPORT OF THE CITY OF GREY FOREST AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF GREY FOREST FOR 2014/2015 FISCAL YEAR

Mayor Reinhard stated this is an Open Meeting to hear deliberation on adoption of the budget. There are several steps to adopting the budget. The budget must be adopted before the tax rate is adopted. The vote adopting the budget must be ratified when it raises more property tax revenue. He stated this is legislative driven and has specific wording that you must state. Mayor Reinhard stated as the Budget Officer, he officially filed the proposed budget with the City Secretary on August 19th. Two Budget Workshops with held over the July/August time frame. The Budget Public Hearing was held a week ago. Mayor Reinhard stated since the Budget Public Hearing, Council has had a chance to consider the discussions from that hearing and would like to address Council to see if they have any further discussion. Councilmember Nettle stated he still questions the increase in the Fire Department budget. He still has an issue paying a greater share than the ESD taxpayers. In addition, he questions the need to extend the police budget for a new officer. The roads need be fixed and he questions if the money could be better served. Councilmember Tiner stated the Police

and Fire are about 50% of the budget. The City of San Antonio's Police and Fire are about 67% of their budget so we are staying close to where we should be. He doesn't see hiring any more officers after this point, but this would get us to where the citizens wanted to be from the results of the questionnaire. Councilmember Waldrop stated we've talked about the roads but don't have a provision in the budget for them. There's no provision in the budget to address the wells and tanks. These items should be a priority. The Fire Department is asking for more money but he doesn't see where we have it. There needs to be further discussion with the ESD. Last, there are other park spaces in the City that he thinks it's time to address how the City can help. Councilmember Nottingham stated she knows it not popular with everyone but the Fire Department needs more money to add on an additional person. She still is not sure we have the funds for an additional officer. We need to be more proactive about the water system. In addition, she still does not agree with putting money in the budget for the Madla Park. The citizens were promised that City funds would not be used. Councilmember Nottingham stated she proposes \$45,000 be taken out of the Contingency Fund and added to last year's contract amount of \$79,875 to pay for an additional person. Mayor Reinhard stated that proposal would put the contract up to \$124,875, a 64% increase over last year. Mayor Reinhard asked if there was a motion on the proposal and there was none. There was further lengthy discussion on the relationship between the ESD and Fire Department. There was discussion on exploring the option of joining the ESD. There was discussion on the City paying a higher fair share. It was Councils consensus to put on the next agenda an item to discuss the possibilities of joining the ESD and inviting the Commissioners to the meeting to clarify questions Council had. Councilmember Waldrop stated he feels a provision for water should be the highest priority. He believes there are many areas that can be cut back or even eliminated and reviewed these items. It was Council's consensus to lower Line Item No. 108 to \$1,200, Line Item No. 122 to \$200 and Line Item No. 131 to \$1,500. Councilmember Waldrop proposed eliminating the New 3rd Police Officer position. He stated as much as he would like to have the position, he doesn't know where the money will come from. Councilmember Nottingham stated she likes the idea of the position but just can't see where we have the money in this budget year. Councilmember Nettle stated he's still not convinced we need the position. He stated because we don't have a lot of crime, the Police Departments greatest value is they're a deterrence. Moving around at different times and creating an appearance, helps as a deterrence. Councilmember Tiner stated he thinks the full time position would have been nice but he would be comfortable taking the position back to part time. Mayor Reinhard stated that means there may not be coverage at all times. He will insist that the department take the vacation time they have earned. The problem in the past has been they accrue vacation time but can't take it because they have no one to cover their shifts. Councilmember Nettle stated he would agree to eliminate the entire position if Councilmember Waldrop agrees with it. Councilmember Nottingham stated we need to at least keep the part time position at a minimum. Councilmember Tiner agreed that the part time position should not be eliminated. There was further lengthy discussion on elimination of the New 3rd Police Officer position. Police coverage, shifts and vacation time was discussed. Mayor Reinhard stated the part time position should get the same 2.5% increase that other employees received. It was Council's consensus to eliminate the New 3rd Police Officer position. The proposed budget would keep the old part time position, Line Item No. 4xy Shift Officer Salary with a 2.5% increase to total \$12,792 and Line Item No. 4xz, Shift Officer FICA at \$979. Councilmember Nettle stated he still has an issue with the City paying more than its fair share for fire protection and proposes the contract payment be set at \$60,000. Councilmember Waldrop stated he could settle for the current contract payment of \$79,875 with no 5% increase. Councilmember Nottingham stated at a minimum the 5% increase should be received. Mayor Reinhard stated he feels the 5% increase is reasonable. Mayor Reinhard asked if there was there was further discussion and there was none. He stated he would like to see if there's a motion on the table with the noted changes and keeping the 5% increase for the Fire Department. The motion to accept Ordinance No. 208 adopting the budget with the changes noted was made by Councilmember Nettle and seconded by Councilmember Tiner. Councilmember Waldrop and Councilmember Nottingham Opposed the motion. Mayor Reinhard voted In Favor of adopting the budget with the changes noted as the tie breaker. The motion passed with 3 YES and 2 OPPOSED.

2. ACT ON: "RATIFICATION OF THE VOTE TO ADOPT THE BUDGET THAT WILL RAISE TOTAL PROPERTY TAX REVENUE"

Mayor Reinhard stated the Property Tax Rate did not increase and remains the same as last year. The Tax Revenue did increase by \$810. When adopting a budget that raises more revenue than the previous year, you are required by law to ratify the vote. He stated the tax revenue increase is controlled by property values. The City does not control property

values. The City sets the tax rate and adopted the same tax rate as last year, \$0.093525 per \$100 value. The motion to ratify the vote to adopt the budget that will raise total property tax revenue was made by Councilmember Waldrop, seconded by Councilmember Nettle and passed unanimously.

3. ACT ON: "AMEND BUDGET COVER PAGE TO RECORD VOTE OF EACH MEMBER OF THE GOVERNING BODY BY NAME VOTING ON THE ADOPTION OF THE BUDGET"

Mayor Reinhard stated we are required by law to Amend the Budget Cover Page to reflect how the Governing Body voted on the budget. The motion to amend the Budget Cover Page to reflect adoption of the budget with Councilmember Nettle, Councilmember Tiner, Mayor Reinhard "FOR" adoption of the budget and Councilmember Waldrop, Councilmember Nottingham "AGAINST" adoption of the budget and Councilmember Thornton "ABSENT" at adoption of the budget was made by Councilmember Nottingham, seconded by Councilmember Tiner and passed unanimously.

4. ACT ON: "MOTION THAT THE PROPERTY TAX RATE BE INCREASED BY THE ADOPTION OF A TAX RATE OF \$0.093525 PER \$100 VALUE, WHICH IS EFFECTIVELY A 1.02778114% INCREASE IN THE TAX RATE"

Mayor Reinhard stated the Property Tax Rate remains the same as the previous years but is above the Effective Operating Rate. Shannan Kinsley stated the previous year tax rate of \$0.093525 per \$100 value is an \$810 increase in tax revenue. The Effective Operating Rate of \$0.090997 per \$100 value would decrease tax revenue from last year by \$105. The motion to increase the Property Tax Rate by the adoption of a tax rate of \$0.093525 per \$100 of value, which is effectively a 1.02778114% increase in the tax rate was made by Councilmember Nottingham, seconded by Councilmember Waldrop and passed unanimously.

5. ACT ON ORDINANCE NO. 209 LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE 2014/2015 FISCAL YEAR BY THE ADOPTION OF A TAX RATE OF 0.093525/\$100

Mayor Reinhard stated Ordinance No. 209 officially levies and adopts the tax rate. Taxes levied through this Ordinance are due on October 1st and become delinquent if not paid by January 1, 2015. The motion to approved Ordinance No. 209 Levying Ad Valorem Taxes was made by Councilmember Nottingham, seconded by Councilmember Waldrop and passed unanimously.

6. DISCUSS AND ACT ON ORDINANCE NO. 210 MANIFESTING AN AGREEMENT BETWEEN THE CITY OF GREY FOREST AND THE GREY FOREST AREA VOLUNTEER FIRE DEPARTMENT TO PROVIDE FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR THE CITY AND SUPPORT FOR THE DEPARTMENT

Mayor Reinhard stated Ordinance No. 210 outlines the agreement with the Fire Department. He stated the Ordinance provides for the contract payment of \$83,869 that was approved in the budget. The contract breaks the payments into 3 payments with same dates as last year. Councilmember Nottingham asked if the Ordinance could be amended if the contract amount was to change. Mayor Reinhard confirmed the Ordinance could be amended at any time. The motion to approve Ordinance No. 210 Manifesting an Agreement with the Grey Forest Area Volunteer Fire Department was made by Councilmember Nottingham, seconded by Councilmember Nettle and pass unanimously.

7. DISCUSS AND ACT ON SELECTION OF A MAYOR PRO TEM IN THE ABSENCE OF THE MAYOR FOR THE CITY COUNCIL OF THE CITY OF GREY FOREST, TEXAS

Mayor Reinhard stated the Mayor Pro Tem serves in his absence. Councilmember Waldrop currently serves as Mayor Pro Tem and has done an excellent job. The Mayor Pro Tem is selected yearly and is also a signature authority on the bank accounts. Councilmember Nottingham stated she would like to nominate Councilmember Waldrop if he's willing

to continue serving. Councilmember Waldrop stated he would be willing to remain in that position. The motion to nominate and appoint Councilmember Waldrop as Mayor Pro Tem was made by Councilmember Tiner, seconded by Councilmember Nottingham and passed with 3 YES and 1 ABSTAINING by Councilmember Waldrop.

8. CONSIDER AND ACT ON RECOMMENDATION FROM THE GFU BOARD OF TRUSTEE'S TO APPOINT BOARDMEMBER FOR TERM EXPIRING 09/30/2014

Jeff English stated the Board position of Harry Drought is expiring September 30th. Mr. Drought has been on the Board for more than 24 years and is the current Chairman. The Board of Trustees acted in accordance with the current procedures put in place years ago to assure public notice is provided to interested candidates. After consideration, the Board of Trustees unanimously voted to recommend that Harry Drought be chosen to continue as a member of the Trustees. Jeff English stated the utility is in excellent shape; they are experiencing strong growth and recommend appointment of Harry Drought on the Board of Trustees. The motion to accept the recommendation of the Board of Trustees and appoint Harry Drought to the expiring term was made by Councilmember Waldrop, seconded by Councilmember Tiner and passed unanimously. Councilmember Nottingham stated she would like to see if this could be brought before Council earlier next time. She stated the position expires on September 30th which is a week away. If Council didn't approve the appointment this evening for whatever reason, the position would be empty until it could be brought back before Council and she'd rather not see that. Jeff English stated that wouldn't be an issue.

9. DISCUSS AND ACT ON AUDIT ENGAGEMENT LETTER WITH STEPHEN W COOK, CPA

Mayor Reinhard stated the City Auditor, Virgil Crawford retired earlier this year. Mr. Stephen Cook is the Auditor for GFU and was also involved on our behalf with the IRS Audit. Mr. Cook is also taking over some other cities that Virgil Crawford was working with and has agreed to perform the audit for the same fee. Mayor Reinhard stated GFU is very happy with Mr. Cook's services and would recommend Council approve his appointment. The motion to accept and appoint Stephen Cook, CPA as City Auditor was made by Councilmember Waldrop, seconded by Councilmember Nettle and passed unanimously.

Councilmember Nottingham stated she would like to jump back to Council/Staff Announcements and thank Jeff English, our CEO and GFU for mediating the acquisition of the plinth for the Scenic Loop~Boerne Stage Alliance historical marker. He got it donated by Vulcan and is a huge savings for the Alliance.

There was no further discussion. Mayor Reinhard adjourned the Regular Council Meeting at 8:28 p.m.

These minutes were written/recorded by Shawana Kinsley.

These minutes were approved as written /amended/ on the 28th day of October, 2014.

Signed: Ronald G. Reinhard
Ronald G. Reinhard, Mayor