**MINUTES**

**FOR THE PUBLIC HEARING & REGULAR MEETING OF THE**

**CITY COUNCIL OF THE CITY OF BANDERA**

**SEPTEMBER 17TH, 2015**

**AT 6:00 PM IN THE MUNICIPAL BUILDING**

**AT 511 MAIN STREET, BANDERA, TX**

1. Meeting called to order by Mayor John Hegemier at 6:12 pm. Council members Glenn Clark, Suzanne Schauman, Sheila Pumphrey, Charlotte Browning, and Jim Hannah were present. City Administrator, Lamar Schulz, City Secretary, Karen Chesler, City Marshal, Will Dietrich, City Inspector, Mike Armstrong, Public Works Directory, Roy Clayton and City Treasurer, Trinity Burnes were also present.
2. Invocation given by Martha Shoemaker & all stood for the Pledge of Allegiance.
3. Visitors to be heard

Rilla Stephens stated she wants to ask council to give Karen Chesler a raise and that is her take on the budget. Karen Chesler has been here a year and a half and she has not had a review. Mrs. Stphens thinks Karen Chesler has done an awesome job.

1. Minutes of Previous Meeting

**Council member Suzanne Schauman made a motion to approve the Regular Meeting minutes for July 16, 2015, seconded by Council Member Charlotte Browning. All in favor none opposed. Motion carried.**

**Council member Suzanne Schauman made a motion to approve the Regular meeting minutes for August 6, 2015, seconded by Council Member Glenn Clark. All in favor none opposed. Motion carried.**

1. Public Hearing
2. Budget

John Hegemier stated they will first discuss the city budget and asked if anyone had questions or concerns. John Hegemier asked about the EDC budget to see if anyone wants to discuss or has questions. No response from audience or council.

1. Tax Rate

John Hegemier stated the proposed tax rate is $0.4082 per $100 valuation for the next fiscal year. Rilla Stephens stated Suzanne Schauman commented in a previous meeting about not raising the tax rate and the utility rates in the same year and she is also requesting that.

1. Regular Meeting: Discussion and Possible Action on the Following Topics:
2. Request to approve the Budget

Toni Kunz stated she does not understand how we can have a Public Hearing without having budget information and the fiscal year starts October 1st. Jim Hannah stated the $5,000 from Lamar Schulz’s salary can be held until after the first of the year and not spent. John Hegemier asked if it was going back to the fund balance or the contingency fund. Jim Hannah replied to the contingency fund for a total of $25,000. Suzanne Schauman stated they have hashed over this multiple times but Lamar Schulz came to work for the City of Bandera when we had no City Secretary, City Treasurer, and lost the Public Works Director shortly after. The finances were in total disarray and confusion just by human error. Since then Lamar Schulz has tried to get them back on the right track, he has been here 18 months as well, and paid well under the TML advertised listing. Suzanne Schauman stated she does feel it is justified to give him this raise. It is only going to be about $200 per paycheck. Glenn Clark stated he does concur with Suzanne Schauman and Lamar Schulz has been through a thunderstorm or two. Glenn Clark stated Lamar Schulz had done an admirable job and after 18 months the $5,000 is just a drop in the bucket. Lamar Schulz replied the $2.40 per hour increase is for a 40 hour work week and he generally works more hours in a week. Jim Hannah stated despite the good work Lamar Schulz has done in the 18 months he sees a weakness in managing the city staff. Mr. Hannah feels it is possible for Mr. Schulz to correct this problem. Jim Hannah stated for the record he is not trying to run Lamar Schulz off as the City Administrator but wants to see administration do better and when he was hired he was told he would have a staff he would be the boss of. Jim Hannah stated a good manager does not tolerate the dissention that has gone on in City Hall for the last 6 or 7 months and what has come to light in the last few days. Jim Hannah stated his motives are to see the city run efficiently like a business and when utility customers come in the door they get prompt attention and get the information they need for financing of the utility bills with the public’s tax money. Jim Hannah stated he is for holding off until the staff can show a certain amount of getting along. Glenn Clark stated Mr. Hannah has labeled him as a sarcastic bully and he wants to speak so there is no misunderstanding and that he can be sarcastic at times. Mr. Clark stated he does not go behind their back and label employees as evil and is not the one with an arrest record for disrupting public meetings. He resents these comments from Mr. Hannah. Glenn Clark stated he can tell everyone why he is not running again because he can walk into the council room and know how everyone is going to vote even before they sit down and that is a shame because you are suppose to have the welfare of the city in mind. In Mr. Clark’s opinion Mr. Hannah has continuously interfered in the day to day operations and is solely responsible for the lawsuit that was filed on the city and continues to do this, thus, they are going to end up with another lawsuit because he has made comments. Toni Kunz stated she considers herself very involved with the city, P&Z and EDC. Since Lamar Schulz has been here she has seen nothing but improvements and agrees with Suzanne Schauman and Glenn Clark he has come in here in a state of chaos and anyone that would ride this out like he has on a salary that was less than advertised says something for him. Toni Kunz added as for what Jim Hannah has said there could be some merit to it and there could be lots of personnel issues but she has been to 80 percent of the meetings and staff should not be involving council. This needs to be addressed on an agenda or in executive session and then come back with a vote. Toni Kunz stated she has never seen that except for what happened down at the City Park but the current staff they have right now and it has not been on the agenda. If no one else knows about it then it says something about you, Mr. Hannah. Toni Kunz stated she has a lot respect for Mr. Hannah but what she just heard from him also says something about him. What people perceive is what starts rumors and she is going to sit down now. Rilla Stephens stated maybe council can consider half of the raise now and half later at another time after his review. Glenn Clark stated Lamar Schulz did have a review in executive session. Mike Armstrong stated he has worked with Lamar Schulz day to day and he feels that Lamar Schulz does deserve a raise and he has worked with other administrators in this city and he is well above any of them. What Mr. Hannah is asking for is for Lamar Schulz to know how the women in this office are going to operate and he is asking for a miracle. Martha Shoemaker stated she agrees with Suzanne Schauman and Glenn Clark but also we have to pay attention to our City Secretary she came when everything was thrown up in the air, all of the papers were still landing and she hit the ground and she knows because she was with her for a month of training. She has gone through the Treasurer, the ups and downs and the crises and they have been having a lot of that. Martha Shoemaker stated both City Secretary and City Administrator, Lamar Schulz have been here for about 18 months. If she has not had a review that may be councils fault and she does not agree about the women thing. Charlotte Browning stated what she sees is no one is going to get a raise but she does see that they have reimbursed and paid for school to get licensed. They are getting a pay check at the last meeting they got in an argument when council was talking and their definitely is a problem. She personally has had a problem coming in here to pay a bill, well not her personally but Brian Black, and she has had other people ask her what is going on down here at city hall. There is definitely a problem and if any of you act like there is not anything wrong then you all are pretending. There is a problem in this office but let them own up to their mistakes. Karen Chesler stated she did not say anything at the last meeting. Charlotte Browning replied it does not matter because it happened and nobody can deny it. It has not changed and it continues to happen. Lamar Schulz replied it was going on before he got here. Charlotte Browning replied she cannot help that. Lamar Schulz asked so you want me to clean house and start over. Charlotte Browning replied you already did that. Lamar Schulz stated but that is what it sounds like you want me to do. Charlotte Browning replied that is how she feels. Glenn Clark stated Lamar Schulz stated it is hard for him when Department Heads and employees run next door and get in the mayor’s ear and call Jim Hannah and tell him they do not like what Lamar Schulz has done and this just cuts his legs out from under him and takes his authority away from him. Glenn Clark stated the vote was set before council ever walked into this room. Toni Kunz stated she has witnessed it herself she has seen where council has given him a task and then you pulled it out from underneath him and took the authority away. That says that you do not trust him and council cannot hold him responsible for something you do not give him authority over. When someone comes to the mayor or council they need to say that it needs to go through the proper channels and then they can come with a formal complaint. Charlotte Browning stated this is no excuse for what she has seen and when someone walks through the door. There are no more than 3 or 4 people on this staff. Glenn Clark stated when he gets a complaint he comes down to the city but 9 times out of 10 it has not been the employees fault. Lamar Schulz stated all they can do is put it in the contingency line and the next council can use it as they see fit.

**Council member Jim Hannah made a motion to amend the budget to put the City Administrators raise into the contingency fund to be set aside for salaries of city office staff after the 1st of year for merit raises, seconded by Council Member Sheila Pumphrey. In favor was Jim Hannah, Sheila Pumphrey, and Charlotte Browning. Opposed was Suzanne Schauman and Glenn Clark. Motion carried.**

Martha Shoemaker handed council a three page budget report for EDC. The ordinary expense income revenue for the 15-16 budget year is $1,072,136 and they have listed the amounts of the CD’s. The General Fund should be corrected rather quickly because they are owed money from the monthly taxes. Martha Shoemaker stated the Sales Tax Revenue has not been transferred from the City of Bandera to the EDC Fund from May through September 2015. Trinity Burnes replied it is because the City Treasurer does not have access to the bank account. Martha Shoemaker stated EDC has not passed Trinity Burnes as being a signatory to the bank account but you have access to the account for viewing or transfers for whatever accounting functions are required for your duties. Trinity Burnes replied she can go into the bank and do manual processes but not the transfers; she does not have access to the online process at this time. Karen Chesler asked if she could say something….in the past they were done as checks but if Trinity Burnes just wants to give her the information she can transfer it for her. Trinity Burnes replied ok, fine. Martha Shoemaker stated the Administrative fees included $3,000 for seminars for this new budget year and by law they are required to have continuing education each year. She believes Joe Hearn is going to go to one. Martha Shoemaker stated they also added $50,000 for Grant Expenses for the park plan and the drainage problem from the Middle School down to Methodist Church for these very important projects. The total for the administrative is $70,300. Martha Shoemaker stated the stuff they do in the community is Honor Veterans for $1,000, advertising for $1,000, and maintaining what they have done in the past. Some of the items they have done in the past and want to continue are for the Cowboys on Main for $15,000, Celebrate Bandera for $10,000, Texas Hill Country Music Fest for $2,500, Bandera Pro Rodeo Assn for $8,000, Wild Hog Explosion for $3,000, and Riverfest for $4,000. These organizations have maintained stable and consistent for the last few years. Martha Shoemaker stated the projects they want to fund for the 15-16 budget year include BBA Christmas Lights for $5,000, Strategic Planning for $10,000, which is a partnership between the City and the County for new Economic Development in the county and city. This is a project that is probably going to take a year to get this off of the ground and very beneficial for the whole region. Martha Shoemaker continued the Historical marker Fees for $1,800, Miniature Western Town for $4,800, and the Boys and Girls Club Power Hour for $1,500. The total amounts for these projects are $23,100. In the Infrastructure and Improvements, they have the 11th Street project for $45,000 for the preliminary design of this project, and the Boys and Girls Teen Center renovation for $9,600. Which the Boys & Girls Center site is in very sad shape and they are in need. Others in the community are helping to get donations for this project. The total for Infrastructure is $54,600. The next category is the City Park which is the city’s jewel and each year they are trying to do something for the upgrades for $150,000. Joe Hearn is going to TML to look at a modular restroom system from two different vendors. This is a system they build in the warehouse and assemble it onsite for about two-thirds of what a sticks and bricks facility would cost. They are looking at including this in the $150,000 and for the electrical upgrades. They are going to look for a place that is less likely to flood. The other item under the City Park is the Medina River Protection fund they have increased the amount to $1,500 which happens the first weekend in May. The Heritage Park upkeep for $3,500, Street Light Repair for $6,000 which EDC funded and dedicated to the City and help keep up, and Street Light on Old San Antonio Hwy for $1,000 which they found an opportunity for more lighting at two intersections on Hwy 16 N & Madrona and Old Medina Hwy. Martha Shoemaker replied it is a requirement of the city and they took the opportunity to put it in their budget to fund for the city. The total amount of $10,500 is for the 15-16 budget. The next category is the Debt Service for the bond payment/principal & interest for $32,000 which they accrued a bill for and the Bond interest fee for $12,000 for a total debt service of $44,000. The net expenses are $398,500 which can easily be done with hard work from the EDC board. The newest member is Glenn Clark. John Hegemier asked about the funds carry over balance was a transfer of $605,213 and he does not think that is income because it is not really revenue. Suzanne Schauman stated she does appreciate what EDC does and thanked Martha Shoemaker for taking on these projects and moving forward with them. Martha Shoemaker replied you are welcome. John Hegemeir stated instead of calculating the surplus as $673,636 he would like to take out the CD and Carry Over. Martha Shoemaker stated she does not see the EDC as a success where this amount of money is sitting there not doing anything for the benefit of Bandera and in order for this city council, EDC board to be successful they need to use the money wisely to the benefit of city and to our guests of the city. They have sat around for a long time and now they are hoping to get it done. John Hegemier stated he would like it to show that they are spending $211,500 in the reserve funds. Martha Shoemaker replied wonderful. Charlotte Browning responded she gets two thumbs up from her. Martha Shoemaker stated she wants to recognize the wonderful EDC board which includes: Robert Skinner, Patricia Moore, Toni Kunz, and Joe Hearn. The new one that Martha Shoemaker will be going to council for approval next month is Glenn Clark, who is a fine asset to the board. Jim Hannah stated they had a good meeting last night over the budget.

**Council member Suzanne Schauman made a motion to approve the 2015-2016 EDC Budget, seconded by Council Member Charlotte Browning. All in favor none opposed. Motion carried.**

**Council member Jim Hannah made a motion to approve ordinance #322 approving the annual budget for the City of Bandera, Texas adopting the budget for the fiscal year October 1, 2015 through September 30, 2016: repealing all ordinances or parts therof in conflict herewith; severability; proper notice and meeting; and establishing an effective date, seconded by Council Member Sheila Pumphrey. In favor were Jim Hannah, Sheila Pumphrey, and Charlotte Browning. Opposed were Suzanne Schauman and Glenn Clark. Motion carried.**

1. Request to approve the Tax Rate

Suzanne Schauman stated she cannot see raising the property tax rate as well as the utility rates. The utility rate is going to increase our rate by $111,000 by the projection and by raising this it is only going to raise it by $24,999 and that is one percent of the budget but that only affects the property owners. If they raise the utility rates it increases the business owners and those who own property but cannot see raising the tax rate. Glenn Clark stated it is unfortunate this burden has fallen back on this council due to the neglect of the previous councils because the service fees were just absorbed by the city for five plus years. The city needs to get back on solid financial ground. John Hegemier stated in response of past councils, the tax rate was actually lowered on them by the tax office because of the rollback rate. So two years ago it was around $.40 and they dropped it down to $.38 last year putting it back where they were in 2013. Lamar Schulz explained they figured it averaged out per home to $1.72 a month. John Hegemier stated they need to keep in mind as the population ages and goes into frozen taxes they have to consider this.

**Council member Glenn Clark made a motion to approve the proposed Tax Rate of $0.4082 per $100 valuation, seconded by Council Member Sheila Pumphrey. In favor were Jim Hannah, Sheila Pumphrey, and Glenn Clark. Opposed were Suzanne Schauman and Charlotte Browning. Motion carries.**

**Council member Glenn Clark made a motion to approve ordinance #323 adopting the City of Bandera, Texas, setting the annual tax rate for tax year October 1, 2015 through September 30, 2016; levying taxes for the tax year 2015 to be assessed on all taxable property within the City of Bandera, Texas; providing penalties and interest for the delinquent taxes; providing for repealer; severability; proper notice and meeting effective date for the ad valorem tax rate of $0.4082 per $100 valuation for tax year 2015, seconded by Council Member Sheila Pumphrey. In favor were Jim Hannah, Sheila Pumphrey, and Glenn Clark. Opposed were Suzanne Schauman and Charlotte Browning. Motion carries.**

1. Departmental Reports:

1. Permits Department Report

2. Public Works Department Reports

3. Finance Department Reports

4. Municipal Court Activity Report

5. Marshal’s Department Report

Karen Chesler stated two residential permits were issues, nine commercial building permits and seven sign permits. Karen Chesler stated the new business for the dentist, Dr. DuBose was replaced by Dr. Pack and they are having a ribbon cutting. The lady was suppose to be here to invite all of council to this event.

Roy Clayton stated he provided a written page of what is going on in the Public Works Department and asked if anyone had questions about it.

Trinity Burnes stated she handed council out the paperwork for the expenditures. Trinity Burnes stated she ran the reports through the end of the month but it is the actual costs and she ran the AP today so it is included in the report and the utility clerk helped her run some of the AP today. Suzanne Schauman stated everyone looks like they came in under budget for once and that is amazing. John Hegemier stated the revenues are almost 99 percent of expenses and as of today it is only 76 percent. Suzanne Schauman stated the Marshal’s Department is only 73.79 percent of his budget. Trinity Burnes stated both Will Dietrich and Roy Clayton are working with her to get things moved around and monies in the right lines. Everybody is really being aware of our monies.

John Hegmier stated the Municipal Court has been running pretty well. Karen Chesler stated for August they had the monthly fines of $10,733.10 and year to date $93,314.15. Trinity Burnes stated the overall is right around $60,000 for the whole year. Suzanne Schauman stated they had projected $66,000 for the year or through September.

Will Dietrich stated council should have the monthly report for August and they had a few more wrecks then what they normally have. Everything else is pretty stable and they have had some burglaries specifically over by the Catholic Church. They have solved as they have confessions and he thanked Councilman Clark for bringing that to his attention and if not for him and Face book they would not have known what happened. The property has been returned and the suspects confessed. The Marshal’s Department is just getting ready for the biker rally this weekend. Will Dietrich stated he received a letter but with the current state of things it shows the type of officer they have working here for the City of Bandera. Reverence to the City Marshal Deputy Earl Heidelberg and read the letter he received from them about a visit they made to the city and experience with the Deputy Marshal. There car would not start at the Exxon station and Deputy Earl Heidelberg tried to help fix the car and stayed with them until AAA arrived. Many people drove into the station and offered to help. They invited all to visit them at their home. Will Dietrich wanted council to know some of the nice things that go on around here.

1. Adjourn - **Council member Glenn Clark made a motion to adjourn at 7:35 PM, seconded by Council Member Suzanne Schauman. All in favor none opposed. Motion carried.**

Attest:

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Karen Chesler John Hegemier

City Secretary Mayor