

Horseshoe Bay Council Comments

Prepared by Tom Schmersahl, Mayor Pro-Tem

Your City Council put in a full day on Tuesday, August 27, 2013. We began the day at 9:00 A.M. for our second Budget Workshop along with City staff and a handful of fellow citizens. This second workshop focused primarily on Employee Compensation plus Retirement and Health Care Benefits. Julie Oakley, Finance Director, offered introductory information to presentations by three consultants to the City.

The Compensation and Benefits Portion of our workshop were videotaped and will be made available for citizen review on the city website.

The first presentation was offered by Matt Weatherly, President of Public Sector Personnel Consultants, who conducts the City's Biannual Salary Survey. While the biannual survey is not due until next year's budget he offered a summary of the methodology used in the survey and how only approximately 42 percent of city employee positions can be compared to private sector jobs as there is no adequate comparison for police and fire personnel. As a result comparative information is gained from other cities and private sector surveys. These surveys are then used to develop pay ranges, which can be applied to specific employees based on individual performance evaluations. The city's pay philosophy is to place pay range assignments within 5% of prevailing rates. He complemented your City's current method of determining market values for each job and requiring an expected level of performance of each employee as both progressive and defensible.

The second presentation was about the Texas Municipal Retirement System (TMRS) and was provided by David Gavia, Executive Director of TMRS. While City employees currently are provided defined contribution retirement plans via 401A and 457B plans offered by Nationwide Retirement Solutions, TMRS offers a future option via a more defined benefit employee retirement plan. TMRS was established by the Texas Legislature and currently covers 849 cities. Councilman David Pope was asked to evaluate a more developed TMRS plan tailored to our employee needs. Such a plan can be considered for possible future adoption.

The third presentation was the critical material of the day as it involved next year's employee Health Care options and cost. Lee Cameron is Senior Vice-President of Frost Insurance, the City's Health Insurance Broker. The bottom line is that health care costs have increased dramatically due in part to the implementation of the Affordable Care Act. The decision was made to continue to offer coverage through Blue Cross/ Blue Shield. Unlike prior years when employees were offered one option, employees will be offered three options; one includes a Health Savings Account (HSA), which offers the lowest price. The Council voted to pay the difference between the next lowest option and the HSA option into the HSA for one year as an incentive to employees to choose this option. Overall healthcare costs will go up 7.54% including the 4% Health Insurer Fee and Reinsurance Fee which go into effect on January 1, 2014. This 2014 Health Care Plan was approved by Council during the afternoon session.

During the remainder of the workshop we approved a \$25,000 budget addition to begin work on Horseshoe Creek Park (hiking trail), approved budgeting \$5,000 to secure the Fox House for a future

park asset and approved moving ahead with additional cedar and dead tree removal from the 2012-2013 budget, in addition the Council approved moving several capital items for the Police and Fire Departments into this current budget. The FY 2014 Budget proposes a General Fund Revenues of \$6,662,600 and Expenditures of \$6,596,000. The Utility Fund proposes Revenues of \$6,076,500 and Expenditures of \$6,932,600 with a \$275,000 developer contribution and the remainder covered by future certificate sales to cover major projects. The Utility Fund is self-supporting.

Lastly Council and staff attempted to clarify several streets to be included in the HSB West Street Project. After discussion, this item was tabled until the September 17 Council Meeting. The Budget workshop was adjourned around 1:30 P.M.

On to the Monthly City Council Meeting which began promptly at 3:00 P.M. with an invocation by Reverend Larry Sherwood of the Church at Horseshoe Bay and pledges to our revered flags. Mayor Lambert recognized Utility Foreman Mike LaFave for five years of service.

Horseshoe Bay Property Owners Association Board President Stan Smith addressed the Council relative to damages to lighting facilities along the .6 miles of Horseshoe Bay Blvd during the street rebuilding project. He specifically requested that the City contribute toward the estimated \$65,000 to \$80,000 cost of repairs. Unfortunately, the City attorney advised council that such expenditure would be unconstitutional. As a result no action was taken.

The Council voted to accept the gift of the Fox House Property from the resort. Note that \$5,000 has been approved to secure the property. Thanks to Caryl Calsyn, Chairman of the Burnet County Historical Commission, Horseshoe Bay residents, Virginia Roberts, Michael Widler and Carrie Foran for their leadership in accepting the gift and for planning the preservation of this historical property. The Save the Fox Committee will be planning future actions.

The next agenda items involved accepting a recommendation by Police Chief Lane for the removal of three trees in the median of Apache Tears as part of the next phase of street upgrades. In other Streets related item, the Council amended the Street Agreement between the City and HSB Resort to eliminate and settle the requirements of this agreement made in April 2009 as part of the transfer of streets from the HSB POA to the city.

Council held a required Public Hearing on the 2014 higher tax rate than the effective rate of \$.24944 to \$.25 which is the same rate as in 2013. A second Public Hearing will be held on September 17, 2013 and the rate adopted.

A Public Hearing was held as part of the Councils ongoing effort to establish Impact Water and Wastewater Fees for undeveloped areas currently outside the City limits but within the ETJ. Tony Bagwell, of HDR Engineering has consulted with the Impact Fee Committee to develop a draft report for the Council's consideration. He provided details of the draft plan which will be considered again on September 3 by the Committee and by the Council on October 15.

Council approved the bidding of a 2014 capital project to replace a portion of Sewer line on Western Bit so that the project can be completed ahead of the Hi Circle Street Improvement project. No 2014 capital dollars will be expended in the 2013 budget year.

The Consent Agenda Items were approved without comment.

City Manager Stan Smith provided a brief overview of the morning presentations and described how these presentations would be placed on the City website. He also described the completion of the Fault Line Phase of the Street Improvement Plan. Councilman Schmersahl who was one of the block captains for the phase complemented the contractor and Streets Project Manager Tim Foran for the effort during the project and hoped that all phases were carried out as efficiently.

On a very serious note, Fire Chief Jim Fiero provided an update on the condition of Firefighter Jeff Walker who was seriously injured in a non-work related rollover accident on August 17. Jeff remains in very serious condition at Brackenridge Hospital in Austin. Jeff has gone through several, surgeries with more to come. His family has established a bank account to accept donations to aid Jeff and his family at Grand Bank in both HSB and Marble Falls. For those that want to help Jeff should send donations to Grand Bank made out to "Walker Special Account". Of course prayers are also welcome.

Three Sign Variances were approved for signage at Grand Bank and tenants plus at the Ace Hardware to be built next to Jamail's Grocery.

Finally, the Council was briefed by the City Attorney on three changes adopted by the 2013 Legislature to the Open Meetings and Open Records Laws. Thankfully this was a shorter meeting than the Budget Workshop and we adjourned at approximately 4:30 P.M. Our next schedule Council Meeting is September 17, 2013.

As my old friend and former Council scribe might have written, we had a long and productive day on behalf of our friends and neighbors. Time to stop since the sun has long ago set and tomorrow will be another great day here in Horseshoe Bay...