

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
AUGUST 1, 2011
7:00 PM**

On this the 1st day of August, 2011, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

TOM MUSSELMAN - MAYOR
TIM DOOLEY - COUNCIL MEMBER
GRAHAM PEARSON - COUNCIL MEMBER
TOMMY SEGNER - COUNCIL MEMBER
SCOTT JONES - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: GARY NEFFENDORF - CITY MANAGER
PAT MCGOWAN - CITY ATTORNEY
BRIAN JORDAN - DIR. DEVELOPMENT SERVICES
PAUL OESTREICH - CHIEF OF POLICE
ANDY DODSON - ENGINEER

The meeting was called to order at 7:00 PM with the Pledge of Allegiance.

BOARD APPOINTMENTS TO PLANNING & ZONING COMMISSION, HISTORIC REVIEW BOARD, AND BOARD OF ADJUSTMENT - It was moved by Council Member Dooley, seconded by Council Member Pearson, to approve the following appointments:

PLANNING & ZONING COMMISSION:

Reappointments: Brenda Segner
Chris Kaiser

Appointment: Matt Lines

HISTORIC REVIEW BOARD:

Reappointments: Sharon Joseph
Charles Schmidt
Burleigh Arnecke (Alternate)

Appointment: David Bullion (Alternate)

BOARD OF ADJUSTMENT:

Reappointments: Byron Schaeffer

The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

EFFECTIVE TAX RATE CALCULATIONS - It was moved by Council Member Dooley, seconded by Council Member Jones, to approve the Effective Tax Rate Calculations of \$.2350/ \$100 valuation as presented. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

2011-2012 GENERAL BUDGET AND AMENDMENTS TO 2010-2011 GENERAL FUND

BUDGET - Council discussed the 2011-2012 General Budget and considered amending the 2010-2011 General Fund Budget. It was moved by Council Member Jones, seconded by Council Member Segner, to amend the 2010-2011 budgeted expenditures for \$352,000.00 as follows: Police vehicles (\$64,000), Park pickup (\$20,000), Market Square pedestals (\$18,000), New playground (\$20,000), Oakcrest bleachers (\$20,000), Admin vehicle (\$35,000), Website redesign (\$50,000), and for street projects (1) Walch Terrace (\$75,000) and (2) Windcrest (\$50,000). The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

PUBLIC COMMENT - Several comments were heard regarding the City swimming pool, businesses not collecting sales tax, and HB2507.

COUNCIL COMMENT - Scott Jones commended Annette Loth, commented on the unprecedented drought and on the City swimming pool issue.

EXECUTIVE SESSION - At 8:20 PM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Segner seconded the motion, and the motion carried. At 8:35 PM, Council Member Dooley made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Jones seconded, the motion carried.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 8:36 PM. Council Member Pearson seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * * * * * * * * * * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
AUGUST 10, 2011
8:00 AM**

On this 10th day of August, 2011, City Council of the CITY OF FREDERICKSBURG convened in special session at City Hall, with the following members present to constitute a quorum:

- TOM MUSSELMAN - MAYOR
- TIM DOOLEY- COUNCIL MEMBER
- TOMMY SEGNER - COUNCIL MEMBER
- GRAHAM PEARSON - COUNCIL MEMBER
- SCOTT JONES - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: GARY NEFFENDORF - CITY MANAGER
CRAIG WALLENDORF - D.P.W.U.

BRAD KOTT - DIRECTOR OF FINANCE

The meeting was called to order at 8:00 AM.

BUDGET WORKSHOP - Council held a 2011-2012 Budget Workshop. It was moved by Council Member Dooley, seconded by Council Member Segner, to proceed with the Morning Glory Project. The vote was as follows: AYE: Musselman, Pearson, Dooley, Segner, and Jones; NAY: None. Motion carried. It was then moved by Council Member Dooley, seconded by Council Member Segner, to leave the Austin St. Bridge project in the budget at \$416,000.00, and to begin an engineering study to determine whether it should be a bridge rebuild or bridge addition. The vote was as follows: AYE: Musselman, Dooley, and Segner; NAY: Pearson and Jones. Motion carried.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 10:45 AM. Council Member Jones seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * * * * * * * * * * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
AUGUST 12, 2011
8:00 AM**

On this the 12th day of August, 2011, City Council of the CITY OF FREDERICKSBURG convened in special session at City Hall, with the following members present to constitute a quorum:

- TOM MUSSELMAN - MAYOR
- TIM DOOLEY - COUNCIL MEMBER
- TOMMY SEGNER - COUNCIL MEMBER
- GRAHAM PEARSON - COUNCIL MEMBER
- SCOTT JONES - COUNCIL MEMBER

ABSENT: NONE

- ALSO PRESENT: GARY NEFFENDORF - CITY MANAGER
- ALAN WOOLEY - GOLF DIRECTOR
- BRAD KOTT - DIRECTOR OF FINANCE

The meeting was called to order at 8:00 AM.

2011-2012 BUDGET WORKSHOP - A budget workshop was held. Following the workshop, it was moved by Council Member Pearson, seconded by Council Member Dooley, to approve \$90,000 for the

swimming pool expense line item. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

JOINT BUDGET WORKSHOP WITH COUNTY (COUNTY COURTHOUSE - 9 AM

Council held a joint budget workshop with County Commissioners Court.

EXECUTIVE SESSION: POTENTIAL LITIGATION/CONSULTATION WITH ATTORNEY - DISCUSS GROUND LEASE AGREEMENT - At 11:40 AM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Pearson seconded the motion, and the motion carried. At 11:48 AM, Council Member Dooley made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Pearson seconded, the motion carried.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 11:49 AM. Council Member Pearson seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * * * * * * * * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
AUGUST 15, 2011
7:00 PM**

On this the 15th day of August, 2011, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

- TOM MUSSELMAN - MAYOR
- TOMMY SEGNER - COUNCIL MEMBER
- TIM DOOLEY - COUNCIL MEMBER
- GRAHAM PEARSON - COUNCIL MEMBER
- SCOTT JONES - COUNCIL MEMBER

ABSENT: NONE

- ALSO PRESENT:
- GARY NEFFENDORF - CITY MANAGER
 - PAT MCGOWAN - CITY ATTORNEY
 - PAUL OESTREICH - CHIEF OF POLICE
 - CRAIG WALLENDORF - D.P.W.U.
 - BRIAN JORDAN - DIR. DEVELOPMENT SERVICES
 - BRAD KOTT - DIRECTOR OF FINANCE

The meeting was called to order at 7:00 PM following the Pledge of Allegiance.

MINUTES OF MAY 2011 MEETING - It was moved by Council Member Dooley, seconded by Council Member Pearson to approve the minutes of the May 2011 meeting as presented and corrected. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

PUBLIC HEARING ON REQUEST #Z-1104 BY THE ADMIRAL NIMITZ FOUNDATION TO: (A) CONSIDER A CHANGE IN THE LAND USE PLAN FROM LOW DENSITY RESIDENTIAL TO PUBLIC/SEMI PUBLIC ON PROPERTY LOCATED AT 502 E. AUSTIN, AND (B) CONSIDER A CHANGE IN ZONING FROM R-1 SINGLE FAMILY RESIDENTIAL TO PF, PUBLIC FACILITIES, ON SUBJECT PROPERTY - It was moved by Council Member Dooley, seconded by Council Member Pearson, to recess the regular session and open the public hearing on request #Z-1104 by the Admiral Nimitz Foundation to (a) Consider a change in the Land Use Plan from Low Density Residential to Public/Semi Public on property located at 502 E. Austin, and (b) Consider a change in zoning from R-1 Single Family Residential to PF, Public Facilities, on subject property. All voted in favor and the motion carried.

General Mike Hagee was on hand on behalf of the Nimitz Foundation. With no comments from the public, it was moved by Council Member Dooley, seconded by Council Member Pearson to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST #Z-1104 - It was moved by Council Member Dooley, seconded by Council Member Pearson, to approve Request #Z-1104, to change the Land Use Plan from Low Density Residential to Public/Semi Public on property located at 502 E. Austin. All voted in favor and the motion carried. It was then moved by Council Member Dooley, seconded by Council Member Jones, to change the zoning from R-1 Single Family Residential to PF, Public Facilities, on subject property. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

ORDINANCE NO. 21-008

AN ORDINANCE ADOPTING A CHANGE IN THE COMPREHENSIVE PLAN OF THE CITY OF FREDERICKSBURG; SPECIFICALLY IN THE LAND USE MAP AND COMPREHENSIVE PLAN AS TO 0.684 ACRES OF LAND MORE OR LESS BEING PART OF TOWNLOTS NUMBERED 481 AND 482 SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS; PROVIDING THAT THE CHANGE TO PUBLIC/SEMI-PUBLIC BECOME A PST OF THE COMPREHENSIVE PLAN AND PROVIDING FOR AN EFFECTIVE DATE.

ORDINANCE NO. 21-009

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF FREDERICKSBURG AND CHANGING THE ZONING CLASSIFICATION 0.684 ACRES OF LAND MORE OR LESS BEING PART OF TOWNLOTS NUMBERED 481 AND 482 SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS, FROM R-1 SINGLE FAMILY RESIDENTIAL TO PF PUBLIC FACILITIES.

PUBLIC HEARING ON REQUEST #Z-1105 BY THE CITY OF FREDERICKSBURG TO CONSIDER AMENDING THE DEFINITION OF CONVENIENCE STORE/SELF

SERVICE GASOLINE AS DEFINED IN THE ZONING ORDINANCE - It was moved by Council Member Pearson, seconded by Council Member Segner, to recess the regular session and open the public hearing on request #Z-1105 by the City of Fredericksburg to consider amending the definition of Convenience Store/Self Service Gasoline as defined in the zoning ordinance. All voted in favor and the motion carried.

Following comments from Kenneth Crenwelge and Kelly Musselman, it was moved by Council Member Dooley, seconded by Council Member Segner to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST #Z-1105 - It was moved by Council Member Jones, seconded by Council Member Pearson, to leave the definition of Convenience Store/Self Service Gasoline as it is in the zoning ordinance, and to accept the friendly amendment from Council Member Dooley, to give non-conforming businesses 90 days to submit a written plan and 9 months for construction to come into compliance. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

APPROVE 2nd ANNUAL KRAUT RUN 8K - It was moved by Council Member Dooley, seconded by Council Member Jones, to approve the 2nd Annual Kraut Run with the same route as last year. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

RESOLUTION APPROVING A SETTLEMENT BETWEEN ATMOS ENERGY CORP'S MID-TEX DIVISION AND ATMOS MUNICIPALITIES - It was moved by Council Member Dooley, seconded by Council Member Pearson, to adopt a Resolution approving a settlement between Atmos Energy Corp's Mid-Tex Division and Atmos Municipalities. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, ("CITY") APPROVING A SETTLEMENT BETWEEN ATMOS ENERGY CORP'S MID-TEX DIVISION ("ATMOS") AND ATMOS TEXAS MUNICIPALITIES ("ATM") RESULTING IN NO CHANGE IN BASE RATES AND APPROVING TARIFFS WHICH REFLECT COSTS RELATED TO THE STEEL PIPE REPLACEMENT PROGRAM; FINDING THE RATES SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; REQUIRING DELIVERY OF THE RESOLUTION TO THE COMPANY AND LEGAL COUNSEL; DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION WAS APPROVED COMPLIED WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under §103.001 of GURA has exclusive original jurisdiction over Atmos Energy Corporation – Mid-Tex Division (“Atmos”) rates, operations, and services as a gas utility within the municipality; and,

WHEREAS, the City has participated in prior cases regarding Atmos as part of a coalition of cities known as the Atmos Texas Municipalities (“ATM”), and,

WHEREAS, on or about April 1, 2010 Atmos filed for an increase in rates, pursuant to the Rate Review Mechanism (“RRM”), of approximately \$15.6 million; which represents approximately a \$9 million base rate increase and an approximate \$6.6 million for the steel pipe replacement program; and,

WHEREAS, after months of investigation by ATM’s rate experts and weeks of negotiations by ATM’S negotiation team a settlement was arrived at which provides: (1) the steel service line replacement program for this last year be funded through a monthly increase of the residential customer charge of twenty-nine cents and an increase in the commercial customer charge of a dollar and twenty-two cents; (2) there will be no increase in base rates; and (3) Atmos and representatives of ATM will begin meeting in mid-August to begin working on rate-related issues, especially those that are difficult to resolve in the time period called for by the RRM process.

WHEREAS, the Executive Committee of ATM and its lawyers recommend that the Council approve the attached tariffs which are consistent with the understandings between Atmos and the ATM Executive Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS THAT:

Section 1. That the findings set out in the preamble to this resolution are hereby in all things approved and adopted..

Section 2. The rates contained in the attached tariffs are just and reasonable and are hereby approved subject to a prudence review of the steel pipe replacement expenditures in the next general rate proceeding.

Section 3. That a copy of this Resolution shall be sent to Mr. David Park, Vice President for Rates and Regulation, Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75204, and to Jim Boyle, Counsel for ATM, at Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, TX 78701.

Section 4. That the meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. That this resolution shall become effective immediately from and after its passage.

PASSED and APPROVED this 15TH day of August, 2011.

/s/ Tom Musselman, Mayor

—
ATTEST:

/s/ Shelley Britton, City Secretary

APPOINTMENT TO THE PLANNING AND ZONING COMMISSION - It was moved by Council Member Dooley, seconded by Council Member Jones, to appoint Bjorn Kirchdorfer to the Planning and Zoning Commission to fill the unexpired term of Fritz Metzger. The vote was as follows: AYE: Musselman, Segner, Dooley, Pearson and Jones; NAY: None. Motion carried.

PROPERTY TAX RATE, RECORD VOTE ON PROPOSED TAX RATE, SCHEDULE PUBLIC HEARINGS - It was moved by Council Member Dooley, seconded by Council Member Pearson, to approve the Property Tax Rate of \$0.25145, a rate that is 7% above the Effective Tax Rate of 0.2350, as presented. The vote was as follows: AYE: Musselman, Segner, Dooley and Pearson; NAY:

Jones. Motion carried. It was then moved by Council Member Pearson, seconded by Council Member Jones, to schedule Public Hearings for August 29 at 7pm, and September 6 at 6pm. All voted in favor and the motion carried.

SEPTEMBER MEETING DATES AND SCHEDULE BUDGET HEARING - It was moved by Council Member Pearson, seconded by Council Member Jones, to hold the first regular September meeting on Tuesday September 6, and to hold the Budget Hearing on September 19. All voted in favor and the motion carried.

GOLF COURSE BUDGET AND CAPITAL IMPROVEMENTS (PHASE ONE) - It was moved by Council Member Pearson, seconded by Council Member Jones, to approve moving forward with the Golf Course Master Plan Improvements, Phase One estimated at \$1.8 million, and to fund the improvements with a loan from the Electric and Solid Waste Funds. Council Member Segner moved to modify the motion to include an Executive Session with the County regarding the avigation easement prior to any bid award. After discussion, the modification to the motion was withdrawn. The original motion then passed, with Pearson, Jones, and Segner voting for the motion, and Musselman and Dooley against.

PUBLIC COMMENT - Bole Ellis and Jerry Farley commented on fluoride, Ed Strocher commented on the Fair parade and invited Council to participate.

COUNCIL COMMENT - Tim Dooley commented on space available in the parade for Council.

EXECUTIVE SESSION - At 9:36 PM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Segner seconded the motion, and the motion carried. At 9:37 PM, Council Member Jones made a motion to adjourn Executive Session and reconvene the regular session. Council Member Pearson seconded, the motion carried.

Following the Executive Session, no action was taken.

With no further discussion, Council Member Jones made a motion to adjourn the meeting at 9:37 PM. Council Member Segner seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
AUGUST 29, 2011
5:00 PM**

On this the 29th day of August, 2011, City Council of the CITY OF FREDERICKSBURG convened in special session at the Law Enforcement Center, with the following members present to constitute a quorum:

TOM MUSSELMAN - MAYOR
TIM DOOLEY - COUNCIL MEMBER
TOMMY SEGNER - COUNCIL MEMBER
GRAHAM PEARSON - COUNCIL MEMBER
SCOTT JONES - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: GARY NEFFENDORF - CITY MANAGER
PAUL OESTREICH - CHIEF OF POLICE
CRAIG WALLENDORF - D.P.W.U.
JIMMY ALEXANDER - DIR. PARKS & RECREATION
BRAD KOTT - DIRECTOR OF FINANCE
ALAN WOOLEY - GOLF MANAGER
BRIAN JORDAN - DIR. DEVELOPMENT SERVICES
JOHN CULPEPPER - DIR. EMERGENCY SERVICES

The meeting was called to order at 5:00 PM.

WORKSHOP: CAPITAL IMPROVEMENT PROJECT BUDGET - Council held a Capital Improvement Project Budget workshop.

WORKSHOP: 2011-2012 BUDGET - Council held a 2011-2012 Budget workshop.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 6:22 PM. Council Member Segner seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * * * * * * * * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
AUGUST 29, 2011
7:00 PM**

On this the 29th day of August, 2010, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

TOM MUSSELMAN - MAYOR
TOMMY SEGNER - COUNCIL MEMBER
TIM DOOLEY - COUNCIL MEMBER
SCOTT JONES - COUNCIL MEMBER
GRAHAM PEARSON - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: GARY NEFFENDORF - CITY MANAGER
PAUL OESTREICH - CHIEF OF POLICE
CRAIG WALLENDORF - D.P.W.U.
BRAD KOTT - DIRECTOR OF FINANCE

The meeting was called to order at 7:00 PM.

PUBLIC HEARING ON PROPOSED PROPERTY TAX RATE AND TAX INCREASE

(FIRST OF TWO) - Council held a Public Hearing on proposed property tax rate and tax increase. Comments were received from Bernice Fraley, Isabel Werts, Linda Langerhans, Larry Werts, James Hajl, Pete Jensen, Alan Wooley, Jerry Smith, Lynn Schultz, Jerry Farley, John Detmar and Dale Irons. The Budget Hearing on September 19 was also announced.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 8:28 PM. Council Member Segner seconded the motion. Motion carried.

PASSED AND APPROVED this the 7th day of November, 2011.

SHELLEY BRITTON, CITY SECRETARY

TOM MUSSELMAN, MAYOR

* * * * *