

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
DECEMBER 2, 2013
7:00 PM

On this the 2nd day of December, 2013, 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:

JERYL HOOVER - MAYOR
KATHY SANFORD - COUNCIL MEMBER
GRAHAM PEARSON - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER
TIM DOOLEY - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
SHELLEY BRITTON - CITY SECRETARY
PAT McGOWAN - CITY ATTORNEY
BRIAN JORDAN - DIR DEVELOPMENT SERVICES
CLINTON BAILEY - D.P.W.U.
RUSSELL IMMEL - TECH
STEVE WETZ - POLICE CHIEF

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

CONSENT AGENDA – It was moved by council Member Dooley, seconded by Council Member Neffendorf, to approve the Consent Agenda as follows:

1. Appointments to CVB Board.
2. Appointments to Health Board.
3. 2014 Holiday Schedule.

All voted in favor and the motion carried.

RESOLUTION APPROVING FINANCIAL POLICIES- It was moved by Council Member Pearson, seconded by Council Member Neffendorf to approve the following resolution as presented and corrected. The vote was as follows: AYE: Hoover, Neffendorf, Sanford, Dooley, and Pearson. NAY: None. Motion carried.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG
ADOPTING COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES

WHEREAS, the City Council of Fredericksburg has determined that a comprehensive financial management policy should be adopted for the use by the City's fiscal managers and departments to promote sound financial planning and internal financial methods and decisions as is further set out in the Purpose section of the attached Policy Statements, and

WHEREAS, the City Council has determined that the Objectives set forth in the attached Policy Statements would be better achieved by adoption and implementation of such proposed financial policies, and

WHEREAS, the City Council has also determined that such policies should be enacted by resolution and should be implemented as soon as practical, and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG that the Comprehensive Financial Management Policy Statements which are attached to this resolution are hereby adopted, and

BE IT FURTHER RESOLVED that the policies become effective immediately upon the adoption of this resolution and be implemented as soon as practical by City management.

This resolution is passed and approved this 2nd day of December, 2013.

/s/ Jeryl Hoover, Mayor

Attest:

/s/ Shelley Britton, City Secretary

ORDINANCE AMENDING TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN – It was moved by Council Member Sanford, seconded by Council Member Pearson, to adopt an Ordinance amending the Texas Municipal Retirement System Plan as presented. The vote was as follows: AYE: Hoover, Sanford, and Pearson. ABSTAIN: Neffendorf (Conflict of Interest) NAY: Dooley. Motion carried.

ORDINANCE NO. 23-022
TEXAS MUNICIPAL RETIREMENT SYSTEM

AN ORDINANCE AUTHORIZING AND ALLOWING UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM, "UPDATED SERVICE CREDITS" IN SAID SYSTEM FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO PRESENTLY ARE MEMBERS OF THE CITY OF FREDERICKSBURG; PROVIDING FOR INCREASED PRIOR AND CURRENT SERVICE ANNUITIES FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE CITY; PROVIDING FOR PARTICIPATION OF THE CITY IN THE SUPPLEMENTAL DEATH BENEFITS FUND OF THE TEXAS MUNICIPAL RETIREMENT SYSTEM, TO PROVIDE CERTAIN IN-SERVICE DEATH BENEFITS FOR EMPLOYEES, AND DEATH BENEFITS FOR ANNUITANTS WHOSE LAST EMPLOYMENT BEFORE RETIREMENT WAS WITH THE CITY OF FREDERICKSBURG, AND ESTABLISHING AN EFFECTIVE DATE FOR SUCH ACTIONS. (Recorded in Ordinance Book).

ORDINANCE ANNEXING 15.29 ACRES OUT OF THE WILLIAM ANDERSON SURVEY NO. 197, ABSTRACT NO. 2, OTHERWISE KNOWN AS STONE RIDGE UNIT 8 – Council Member Dooley moved, seconded by Council Member Pearson, to adopt an ordinance annexing 15.29 acres out of the William Anderson Survey No. 197, Abstract No. 2, otherwise known as Stone Ridge Unit 8

ORDINANCE NO. 23-0023

AN ORDINANCE ANNEXING TO THE CITY OF FREDERICKSBURG, TEXAS, A 15.29 ACRE TRACT OF LAND IN GILLESPIE COUNTY, TEXAS, BEING OUT OF THE REMAINING PORTION OF A 258 TRACT OF LAND, DESCRIBED IN VOLUME 63, PAGE 366, DEED RECORDS OF GILLESPIE COUNTY, TEXAS, AND BEING OUT OF THE WILLIAM H. ANDERSON SURVEY NO. 197, ABSTRACT NO 2, EXTENDING THE CORPORATE LIMITS OF THE CITY OF FREDERICKSBURG, TEXAS, SO AS TO INCLUDE SAID TERRITORY GRANTING TO ALL INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY ALL OF THE RIGHT AND PROVLIES OF OTHER CITIZENS OF THE CITY OF FREDERICKSBURG, TEXAS; BINDING THE INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY BY ANY AND ALL ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF SAID CITY OF FREDERICKSBURG, TEXAS. (Recorded in Ordinance Book)

WATERING RESTRICTIONS – Council received a presentation from City staff regarding proposed changes to the City of Fredericksburg Ordinance regarding watering restrictions. No action was taken.

CITY MANAGER'S REPORT – City Manager Kent Myers reported on (1) Tour of City Facilities, (2) Holiday Schedule, (3) Employee Recognitions.

PUBLIC COMMENTS – Council heard comments from Russ Rose, Steve Anderson, Nancy Stevens, Carmen Armstrong, and Bruce Willie.

COUNCIL COMMENTS – No comments.

EXECUTIVE SESSION - At 8:30 PM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Neffendorf seconded the motion, and the motion carried. At 8:50 PM, Council Member Pearson made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Dooley seconded, the motion carried.

At 8:50 PM, Council Member Pearson made a motion to recess the regular session and go back into Executive Session. Council Member Neffendorf seconded the motion, and the motion carried. At 9:30 PM, Council Member Dooley made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Pearson seconded, the motion carried.

Following Executive Session, the following action was taken:

ELECTRIC POWER PURCHASES – It was moved by Council Member Dooley, seconded by Council Member Sanford, to authorize Schneider Engineering to work with the City Manager and Director of Public Works on four proposals for alternative electric power services. The vote was as follows: AYE: Hoover, Sanford, Neffendorf, Pearson, and Dooley; NAY: None. Motion carried.

POTENTIAL LITIGATION – No action taken.

PERFORMANCE EVALUATIONS FOR CITY MANAGER AND CITY ATTORNEY – No action.

With no further discussion, Council Member Dooley made a motion to adjourn the meeting at 9:30 PM. Council Member Neffendorf seconded the motion. Motion carried.

PASSED AND APPROVED this the 3rd day of February, 2014.

SHELLEY BRITTON, CITY SECRETARY

JERYL HOOVER, MAYOR

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STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
DECEMBER 16, 2013
7:00 PM

On this the 16th day of December, 2013, 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:

GRAHAM PEARSON – MAYOR PRO TEM
TIM DOOLEY - COUNCIL MEMBER
KATHY SANFORD - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER

ABSENT: JERYL HOOVER - MAYOR

ALSO PRESENT: KENT MYERS - CITY MANAGER
SHELLEY BRITTON - CITY SECRETARY
STEVE WETZ - CHIEF OF POLICE
PAT MCGOWAN - CITY ATTORNEY

CLINTON BAILEY - D.P.W.U.
BRIAN JORDAN – DIR OF DEVELOPMENT SERVICES

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

MINUTES - It was moved by Council Member Sanford, seconded by Council Member Neffendorf, to approve the minutes of the November 2013 minutes as presented and corrected. All voted in favor and the motion carried.

CONSENT AGENDA – It was moved by Council Member Sanford, seconded by Council Member Dooley, to approve the consent agenda as follows:

1. Ratification of Mediation Settlement Agreement – Washburn Property.
2. Request for RFQ's for Professional Planning Services to Update the City's Comprehensive Plan.
3. Amend Minutes of March 4, 2013 meeting.

The vote was as follows: AYE: Pearson, Dooley, Sanford, and Neffendorf (except for item C, which Neffendorf abstained from since he was not on the Council in March). Motion carried.

PUBLIC HEARING – It was moved by Council Member Dooley, seconded by Council Member Sanford, to adjourn the regular session and to open a public hearing on Request Z-1315 by Capraia Partners Ltd, for a Conditional Use Permit to allow a lodging development in the CBD, Central Business District, at 415 and 417 E. Main St. All voted in favor and the motion carried.

Shanna Thomas spoke on behalf of the owners. The only public comments received were by Kenneth Johnson who spoke regarding his concern for water and B&B's.

With no further comments, it was moved by Council Member Dooley, seconded by Council Member Neffendorf, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST Z-1315 – Director of Development Services Brian Jordan briefed council on the project. Based on the recommendation of the P & Z and the staff, it was moved by Council Member Neffendorf, seconded by Council Member Sanford, to approve Z-1315 with the following conditions:

1. Approval of a Landscape Plan prior to issuance of a Building Permit.
2. All external lighting being shielded.
3. Approval of Construction Plans prior to issuance of a Building Permit.
4. Approval of Building Plans by the Historic Review Board prior to issuance of a building permit.
5. The property being re-platted into a single tract prior to issuance of a building permit.

The vote was as follows: AYE: Pearson, Dooley, Sanford, and Neffendorf. The motion carried.

RESOLUTION AUTHORIZING PROPERTY LEASE AGREEMENT – It was moved by Council Member Dooley, seconded by Council Member Neffendorf, to approve a resolution authorizing a property lease agreement with JP Morgan CHASE Bank for the acquisition of equipment including a 953D Track Loader for the Landfill. The vote was as follows: AYE: Pearson, Dooley, Sanford, and Neffendorf. Motion carried.

RESOLUTION AND DECLARATION OF OFFICIAL INTENT

Lessee: City of Fredericksburg

Principal Amount Expected to be Financed: \$199,000.00

WHEREAS, the above Lessee is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

Brief Description Of Property: **See Attached Schedule A-1**

WHEREAS, JPMorgan Chase Bank, N.A. ("Lessor") is expected to act as the lessor under the Equipment Leases.

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee:

SECTION 1. Either one of the (insert title) Director of Finance **OR** the (insert title) City Manager (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

SECTION 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

SECTION 3. The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

SECTION 4. The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

SECTION 5. The Governing Body of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Governing Body of Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

SECTION 6. As to each Equipment Lease, Lessee hereby designates each Equipment Lease as a "qualified tax-exempt obligation" for the purposes of and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("Code") and Lessee reasonably anticipates that the total amount of Section 265 Tax-Exempt Obligations to be issued during the current calendar year by Lessee, or by an entity controlled by Lessee or by another entity the proceeds of which are loaned to or allocated to Lessee for purposes of Section 265(b) of the Code will not exceed

\$10,000,000. "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code.

SECTION 7. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this December 16, 2013.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

/s/ Shelley Britton, City Secretary
Date: December 16, 2013

FY 2014 BUDGET AMENDMENTS – It was moved by Council Member Dooley, seconded by Council Member Sanford, to approve the FY 2014 Budget Amendments which results in \$136,500 in expenditures being added to the General Fund, \$272,000 added to the Water and Sewer Fund, and \$272,000 being added to the Tourism Fund. The final operating results for each of these funds for the prior FY 2013 show excess revenues over expenditures that cover these amendments. The vote was as follows: AYE: Pearson, Dooley, Sanford, and Neffendorf. Motion carried.

CITY MANAGERS REPORT – The City Manager reported on (1) Recycling Survey, (2) Property Tax Collections, (3) Employee Recognitions, including recognizing Donna Durst on her retirement after 40 years of service to the City.

FUTURE AGENDA ITEMS – Future items include the Ground Transportation Ordinance, update on the Skate Park, a proposed new phone system, a Property Maintenance Ordinance, watering restrictions, and a Dark Sky Ordinance.

PUBLIC COMMENTS – None.

COUNCIL COMMENTS – Council Member Dooley complimented Fire, EMS, and Police for a fine job.

EXECUTIVE SESSION - At 7:40 PM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Neffendorf seconded the motion, and the motion carried. At 7:54 PM, Council Member Dooley made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Sanford seconded, the motion carried.

At 7:55 PM, Council Member Neffendorf made a motion to recess the regular session and go back into Executive Session. Council Member Sanford seconded the motion, and the motion carried. At 8:33 PM, Council Member Dooley made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Sanford seconded, the motion carried.

Following Executive Sessions, the following action was taken:

WHOLESALE POWER PURCHASES – It was moved by Council Member Dooley, seconded by Council Member Sanford, to authorize Schneider Engineering to work with the City Manager and Director of Public Works to purchase 35% of our power from EDF over a 5 year period and to select optimum times to execute all documents. The vote was as follows: AYE: Pearson, Sanford, Neffendorf, and Dooley; NAY: None. Motion carried.

POTENTIAL LITIGATION – No action taken.

PERFORMANCE EVALUATIONS FOR CITY MANAGER, CITY ATTORNEY, AND MUNICIPAL JUDGE - It was moved by Council Member Sanford, seconded by Council Member Neffendorf, to give the Municipal Judge and City Attorney a 2.5% increase effective January 1, 2014. The vote was as follows: AYE: Pearson, Sanford, Neffendorf, and Dooley; NAY: None. Motion carried. (The City Manager will have his evaluation at a later date.)

With no further discussion, Council Member Neffendorf made a motion to adjourn the meeting at 8:37 PM. Council Member Dooley seconded the motion. Motion carried.

PASSED AND APPROVED this the 3rd day of February, 2014.

SHELLEY BRITTON, CITY SECRETARY

JERYL HOOVER, MAYOR

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STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

SPECIAL CITY COUNCIL MEETING
DECEMBER 30, 2013
NOON

On this the 30th day of December, 2013, the City Council of the CITY OF FREDERICKSBURG convened in special session at the upstairs conference room at City Hall, with the following members present to constitute a quorum:

JERYL HOOVER - MAYOR
GRAHAM PEARSON – MAYOR PRO TEM
TIM DOOLEY - COUNCIL MEMBER
KATHY SANFORD - COUNCIL MEMBER

GARY NEFFENDORF - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - D.P.W.U.
BRAD KOTT – DIR OF FINANCE

PROPERTY TAX COLLECTION OPTIONS – Council was presented alternatives for future collections of property tax and agreed to explore the options including contracting with the Gillespie Central Appraisal District. The City Manager will report back in 30 days; no action taken.

EXECUTIVE SESSION - At 1:02 PM, Council Member Dooley made a motion to recess the regular session and go into Executive Session. Council Member Neffendorf seconded the motion, and the motion carried. At 1:52 PM, Council Member Sanford made a motion to adjourn the Executive Session and reconvene the regular session. Council Member Neffendorf seconded, the motion carried.

Following Executive Session, the following action was taken:

PERFORMANCE EVALUATIONS FOR CITY MANAGER- It was moved by Council Member Dooley, seconded by Council Member Pearson, to give the City Manager a 2.5% increase effective January 1, 2014. The vote was as follows: AYE: Hoover, Pearson, Sanford, Neffendorf, and Dooley; NAY: None. Motion carried.

With no further discussion, Council Member Neffendorf made a motion to adjourn the meeting at 1:53 PM. Council Member Dooley seconded the motion. Motion carried.

PASSED AND APPROVED this the 3rd day of February, 2014.

SHELLEY BRITTON, CITY SECRETARY

JERYL HOOVER, MAYOR

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