City of Fredericksburg

City Council Regular Meeting Minutes
Tuesday, July 16, 2024 ~ 9:00 AM
Law Enforcement Center
1601 E. Main Street
Fredericksburg, Texas 78624

Members Present:
Mayor Jeryl Hoover
Mayor Pro-Tem Emily Kirchner
Councilmember Randy Briley
Councilmember Tony Klein
Councilmember Bobby Watson

Members Absent:
None

City Staff Present:
Clinton Bailey, City Manager
Garret Bonn, Assistant City Manager
Leticia Vacek, City Secretary
Bessie Bronstein, City Attorney
Brian Vorauer, Chief of Police
Shelley Becker, Presiding Municipal Court Judge
Krista Wareham, Director of Finance
Kris Kneese, Director of Public Works & Utilities
Aaron Anderegg, Director of Information Technology
Andrea Schmidt, Director of Parks and Recreation
Reagan Rabke, Fire Marshal
Shelby Collier, Senior Planner, Development Services
Leslie Embrey, Assistant to the City Secretary

1. CALL TO ORDER

Mayor Hoover called the July 16, 2024, Regular City Council Meeting to order and announced that a quorum had been met.

2. INVOCATION

Mayor Hoover introduced Paige Findley, who led the Invocation.

3. PLEDGES OF ALLEGIANCE

Mayor Hoover led the Pledges to the US and Texas Flags.

4. CEREMONIALS/EMPLOYEE RECOGNITION

Mayor Hoover recognized and thanked Krista Wareham, Director of Finance, and the Finance Department Staff for receiving the 2024 Financial Excellence Award from the Government Finance Officers Association. He stated that the award represents a significant achievement and commitment in meeting the highest principles of governmental budgeting.

Mayor Hoover and Presiding Municipal Court Judge, Shelley Becker, thanked Judge James E. Heupel for his dedication to the community and presented him with a plaque for over 27 years of judicial service to our Country during his military service in the USAF and to the City of Fredericksburg. Judge Heupel stated that it has been an honor and privilege to serve as Associate Judge for the Municipal Court for the past 15.5 years.

Kris Kneese introduced Sibyl Deckard, the newest City Engineer and highlighted the positive impact she has already provided to the department and the city.

5. COUNCIL COMMENTS

Councilmember Briley highlighted the Cross Mountain Dedication and Citizens University events in June. He added that a total of 20 individuals are participating in the Citizens University with several applying for the Board and Commission vacancies. Lastly, he reported on the input gathered from Business Owners at the July 2nd Main Street Town Hall Meeting hosted at the Convention & Visitor Bureau.

Councilmember Klein announced that the County Commissioners updated their Meeting Procedures to also include the Texas Pledge. He noted that the Market Square Redevelopment Commission received a request from Oktoberfest organizers regarding the installation of the Glockenspiel in the Marktplatz. Additionally, the Market Square Redevelopment Commission membership was also discussed.

Councilmember Watson reported that he attended the Economic Development Commission and the Airport Advisory Board Meetings. He noted that the hangar rental was at 100% Occupancy with 36 on the waiting list. He added that a total of 26 individuals were enrolled in the Cross Wind Aviation Pilot Training Program. As for fuel, he noted that a total of 282,000 gallons had been sold ending June, 2024 which was on target with the annual projected sale of 600,000 gallons. Councilmember Watson also highlighted the City's growth and spoke to the importance of the city considering the needs of families during the budget process.

Mayor Pro-Tem Kirchner highlighted Oak Crest Park Soccer Field Improvements and noted that in partnership with the Parks Department, Friends of the Fields, the Native Plant Society of Texas – Fredericksburg Chapter, and Superior Services Tree Care, a total of 50 native trees would be planted in preparation for the Fall Soccer Season.

Mayor Hoover introduced Bessie Bronstein and announced that she was attending the meeting on behalf of Mick McKamie, City Attorney. He thanked her for her presence.

6. CONSENT

A. Consider approval of City Council Minutes for the following meetings:

May 21, 2024 Regular Council Meeting
May 30, 2024 Special-Called Council Meeting
June 4, 2024 Regular Council Meeting

B. Renewal of Environmental Systems Research Institute, Inc. (ESRI) Enterprise Subscription for GIS Services.

A motion was made by Mayor Pro-Tem Kirchner and seconded by Councilmember Klein to approve Items 6A and Item 6B subject to the corrections to the minutes provided to the City Secretary. The motion carried unanimously.

7. ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

A. Consideration and approval of Court of Record Ordinance No. 2024-19 by the City Council of the City of Fredericksburg, Texas, authorizing and approving the creation of a Municipal Court of Record and provisions provided therein including a Municipal Court Child Safety Trust Fund and Juvenile Case Manager, providing an effective date of July 16, 2024. (Shelley Becker, Municipal Court Judge)

i. Presentation by Staff
ii. Hold Public Hearing (Mayor declares Public Hearing Open and recognizes Individuals Registered to Speak) (Mayor declares Public Hearing Closed)
iii. Consideration/Action on Ordinance No. 2024-19

Judge Becker reported that in addition to creating a Municipal Court of Record, Ordinance 2024-19 also included provisions providing for the creation of a Court Child Safety Trust Fund and a Juvenile Case Manager position. She reported that a \$5 fee would be added to each parking violation and a \$25 administrative fee to each warrant issued. It was noted that approximately \$50 per month is anticipated to be generated from parking violations with all fees collected.

Judge Becker reported that the creation of the Juvenile Case Manager position is recommended due to a current gap in follow-up services as well as an increase in local truancy cases and the passage of State Juvenile Diversion provisions. She added that the Case Manager would serve as a liaison between the Court, the Juvenile, their family, and the school district to ensure compliance with Diversion Plans. Said position would also be responsible for coordinating the Teen Court Program.

Judge Becker spoke to the funding of the new position and would work with Fredericksburg Independent School District to identify other funding sources. She mentioned that a grant was available from the Governor's Office. Lastly, Judge Becker noted that the Ordinance also included training standards required to be adopted by the City Council.

Mayor Hoover opened the Public Hearing and announced that no citizens had signed up to speak. Mayor Hoover declared the Public Hearing closed.

Councilmember Briley recommended allocating additional funds to the Municipal Court Budget to be utilized at the Judge's discretion. Judge Becker stated that the department could access available Restricted Funds and reported that State law dictated how funds could be utilized. She added that the Department had about \$40,000 in cost savings which would be utilized to partially fund the Juvenile Case Manager position. Mayor Pro-Tem Kirchner spoke in support of the item and thanked Judge Becker for seeking additional funding sources.

A motion was made by Councilmember Klein and seconded by Councilmember Briley to adopt Ordinance 2024-19. The motion carried unanimously.

B. Request Z-2411: Applicant Brian Ognian - Consideration for a Conditional Use Permit (CUP) per Section 3.510 to Allow for a Standardized Business in the Historic Shopping District for the Property Located at 202 East Main Street. (Shelby Collier, Senior Planner)

i. Presentation by the Applicant
ii. Staff Report
iii. Hold Public Hearing (Mayor declares Public Hearing Open and recognizes Individuals Registered to Speak) (Mayor declares Public Hearing Closed)
iv. Consideration/Action on Ordinance 2024-20.

Shelby Collier provided an overview of the CUP application submitted by Kilwins stating the property location and zoning classification. She reported that the East Coast based franchise business would be selling chocolates and other sweet treats.

Mayor Hoover declared the Public Hearing open for public comment.

Dr. Eric Hammersen voiced his concern with the City's interpretation of "chain store."

Annette Bennett voiced her opposition to the CUP request due to their franchise-business model.

Mayor Hoover declared the Public Hearing closed.

Councilmember Briley expressed concern with the property location and encouraged the business to seek a more suitable location.

In response to Mayor Pro-Tem Kirchner, Mrs. Collier replied that the city defined a "chain store" as a business with ten or more locations nationwide. She clarified that Allen's Boots did not meet the definition as there are less than ten stores nationwide. She noted that James Avery's request for a CUP was approved because it was considered a local store due to their Kerrville origination.

In response to Mayor Hoover, Mrs. Collier replied that Chase Bank was exempt from compliance because their business existed prior to the adoption of the current Ordinance.

A motion was made by Councilmember Klein and seconded by Mayor Pro-Tem Kirchner to deny the conditional use permit and Ordinance 2024-20. The motion carried unanimously.

C. Request Z-2412: Pat Schulte, Applicant for Randolph Brooks Federal Credit Union is Requesting Consideration of a Conditional Use Permit (CUP) per Section 3.210 to Allow for a Drive-Thru Use for the Property Located on the Northeast Corner of Highway 87 South and Friendship Lane also referred to as Lot 3R-A of the Post Oak Park Subdivision, 599 S. Washington St. (Shelby Collier, Senior Planner)

i. Presentation by the Applicant
ii. Staff Report
iii. Hold Public Hearing (Mayor declares Public Hearing Open and recognizes individuals Registered to Speak) (Mayor declares Public Hearing Closed)
iv. Consideration/Action on Ordinance 2024-21

Shelby Collier clarified that the property in question had two addresses on file as the recent re-platting resulted in the issuance of a second address. She reported that all required Public Notices referenced the property's legal description of Lot 3R-A of the Post Oak Subdivision including the location of the re-platted property which is the Northeast Corner of Highway 87 and Friendship Lane.

Ms. Bronstein stated that the City Council could proceed with the Public Hearing as the property was described by both its legal description and physical location.

Eric Essler, representative for Randolph Brooks Federal Credit Union, stated that RBFCU was the largest credit union in the State of Texas with most of its 83 locations concentrated in San Antonio and the Hill Country. He described the property improvements and spoke to the importance of preserving trees.

Mrs. Collier reported that RBFCU submitted a Site Plan, CUP Request, and an Entry Corridor Application for the property located on the Northeast Corner of Highway 87 and Friendship Lane. She added that the City Council was required to act on the CUP Request as the Planning and Zoning Commission approved the Site Plan and Entry Corridor Application on July 2nd. She highlighted site improvements and noted that the bank drive-thru was relocated at the suggestion of staff to mitigate traffic congestion. The traffic now would be exiting Highway 87, and that TXDoT permitting, and approval was required.

Mrs. Collier stated that staff was recommending approval of the CUP Request with the condition that parking on the north side of the lot be reserved for staff only.

Mrs. Collier also clarified that staff did not have concerns with the right-in and right-out point of entry nor with the stacking of 5 vehicles for a 3-lane drive-thru. She added that traffic would not be impacted or impeded on either street. Lastly, with regards to the proposed signage included with their request; it complies with the Sign Ordinance.

A discussion ensued regarding the number of parking spaces and Mrs. Collier clarified that staff determined that RBFCU did not need more than 8 parking spaces and that the remaining parking spaces be used for green space.

Councilmember Watson recommended eliminating the 4 parking spaces next to the entrance at Friendship Lane and that all other parking spaces be near the bank.

Mayor Hoover opened the Public Hearing for comment.

John Whittiman, a 40-year member of RBFCU, spoke in support of the item. Tom Mussleman, Planning and Zoning Commission Board Member, spoke in opposition to the CUP due to safety concerns of ingress/egress on both Highway 87 and Friendship Lane. He also noted his concern about the reduction of parking spaces. Pat Sadd, resident, voiced her concern with traffic flow from vehicles exiting drive-thru businesses located across the street from each other.

Mayor Hoover declared the Public Hearing closed.

A motion was made by Councilmember Briley and seconded by Mayor Pro-Tem Kirchner to approve the CUP Request/Ordinance 2024-21 with staff's recommendations.

Mayor Hoover reiterated that the motion on the floor was to approve the CUP Request as presented with staff's recommendations. The motion carried unanimously.

8. OTHER ACTION ITEMS AND UPDATES

A. Consider creating an Annexation Development Agreement for 9.37 acres known as Kinman Subdivision Lot 2BR on Mariposa Drive in the Extra-Territorial Jurisdiction of the City of Fredericksburg. (Anna Hudson, Director of Development Services) Tabled June 18, 2024

A motion was made by Mayor Pro-Tem Kirchner and seconded by Councilmember Klein to remove the item from the Table. The motion carried unanimously.

John Kroll, applicant, informed the Council that the Site Plan submitted requested a zoning classification of R1-A without a variance. He stated that the Conceptual Plan was to have 50 to 60 small single-family lots on the tract of land.

Mayor Hoover announced that the following residents of Heritage Hill Country Subdivision submitted written comments in opposition to the item with the primary reason being density:

Barbara Groves
Michael and Regina Wallace
Brent Hinckley
Dana Kasberg

At this time, Mayor Hoover called upon the citizens registered to speak.

Pat Sadd voiced concern with the proposed R1-A zoning classification.

Garret Bonn, Assistant City Manager, clarified that the City Council was being asked to consider entering into an Annexation Development Agreement with the property located in the City's Extra-Territorial Jurisdiction (ETJ). He further stated that the property would be developed in accordance with the City's ETJ provisions that address subdivision development and signage, and that the property did not qualify for City Services.

Annette Bennett voiced concern with the estimated revenue-to-cost ratio and with the City investing in infrastructure for the property. She requested the item be denied.

Tim Dooley addressed the annual net revenue loss to the city of $41,000 and $1.6 million over 40 years. He voiced concern with the staff's recommendation noting it had been denied twice by the Planning and Zoning Board and tabled during the June 18th City Council Agenda.

Jim Hambright stated that the proposed high-density project was contradictory to the City's mission of developing an efficient growth plan that reflected the value of the community, land use, and preserved the identity of the community.

Jeffrey Kolb addressed concerns with the lack of transparency with the citizen participation process and the traffic study commissioned by the developer.

Mark Johnson said that each Site Development Plan presented to the City and County by the developer has not addressed traffic concerns.

Curtis Register stated that the development as currently proposed was not a good fit for the community and recommended that the City Council deny approval.

Kelli McDonald voiced concern with the city funding future safety and flood control improvements.

Mr. Kroll stated that, except for the Accessory Dwelling Units (ADUs), the R1-A zoning classification as noted in the Site Plan was consistent with the Comprehensive Plan. He clarified that ADUs were not considered in the initial concept plan for a 6,000 square-foot lot.

Councilmember Klein voiced concern with increased traffic and stated that he would support the Development Agreement if the developer identified solutions for ingress and egress challenges.

Mayor Pro-Tem Kirchner spoke to the importance of considering future costs to the city when voluntarily annexing land. She voiced concern with several items including safety along Highway 290, capacity of the lift station to service the area, high property density, and lack of green space.

Councilmember Watson stated that the traffic study reflected today's traffic needs and did not address future traffic needs/flow.

Mayor Hoover spoke in opposition to the plan as presented as it did not meet the needs of the community.

Ms. Bronstein clarified that the City Council was considering the approval of the voluntary annexation of the land, not the provisions of the Development Agreement nor Zoning. She reported that if the City Council approved the voluntary annexation, the finalized Development Agreement was required to go through the same review process as other housing developments. She added that the Agreement could be amended at any time and that the city could negotiate on development improvements.

Councilmember Briley addressed the negative financial impact the development would have on the City and the public safety concern with the development only having one egress and ingress.

Mayor Hoover voiced concern with the City not having control on how the property could be developed and with findings of the traffic study. Ms. Bronstein stated that state law limited the City's ability to restrict development for property in its ETJ. She reported that if the City Council denied the request for Voluntary Annexation, the applicant would be required to re-apply.

In response to Mayor Pro-Tem Kirchner, Mr. Bonn reported that the city would not be responsible for upfront costs if the request for Voluntary Annexation was approved. He added that staff would ensure that the Annexation Agreement included provisions that the developer pay for all site assessments such as a new traffic study and all identified infrastructure improvements.

A motion was made by Councilmember Briley and second by Councilmember Klein to deny the Annexation Development Agreement requested for the 9.37 acres of land known as the Kinman Subdivision Lot 2BR on Mariposa Drive in the Extra-Territorial Jurisdiction of the City of Fredericksburg. The motion carried unanimously.

B. Consider Approval of a Construction Contract Award to JM Pipeline, LLC for Hollmig Lane Sanitary Sewer Rehabilitation Project (Kris Kneese, Director of Public Works & Utilities)

Kris Kneese reported that the department allocated funds in the FY 2024 Budget to replace the sanitary sewer infrastructure in the area of Hollmig and Friendship Lanes. He described the scope of work and reported that JM Pipeline, LLC submitted the lowest qualified bid totaling $353,681.50.

A motion was made by Councilmember Watson and seconded by Councilmember Briley to award the bid to JM Pipeline, LLC as recommended by staff. The motion carried unanimously.

C. Consider the Approval of a Construction Contract Award to Environmental Improvements, Inc. for the Water Reclamation Facility Bar Screen Replacement Project (Kris Kneese, Director of Public Works & Utilities)

Kris Kneese reported that the department allocated $286,000 in the FY 2024 Budget to replace equipment at the Water Reclamation Facility. He highlighted the bid process and noted that during the 3-week advertising period, Environmental Improvements, Inc. submitted the only bid in the amount of $324,900. Mr. Kneese added that the department would fund the $38,900 shortfall using savings from other Water Department projects.

A motion was made by Councilmember Klein and seconded by Councilmember Briley to award the bid to Environmental Improvements, Inc. as recommended by staff. The motion carried unanimously.

D. Consider and take action on appeal of Short-Term Rental (STR) Permit denial for 705 E. Highway St. #104 by Owners Steve Jones and Dena Largent (Shelby Collier, Senior Planner)

Shelby Collier reported that the most recent STR Permit on file for the property at 705 E. Highway Street, #104 expired on August 31, 2023. That permit reflected a non-conforming use status. She added that a renewal application was not submitted as the condominium was being occupied by a long-term tenant. Upon the condominium becoming vacant, the property owner submitted a renewal application requesting the re-instatement of the STR Permit. Mrs. Collier stated that the application was denied by the Planning and Zoning Board as condominiums are no longer allowed to be used as short-term rentals.

Mrs. Collier added that later, the Zoning Board of Adjustment would consider the applicant's request for a Definition of Interpretation as the applicant was requesting to be issued a STR-Unoccupied Permit with special exceptions, similar to the 2022-2023 designation.

Mayor Hoover recognized Dena Largent, property owner.

Ms. Largent stated that the tenant was on a month-to-month lease as he intended to purchase the property; unfortunately, he passed away prior to the completion of all paperwork. She spoke about the financial hardship she would incur as she was not able to sell the property without a valid STR Permit.

In response to Councilmember Briley, Ms. Collier clarified that the new STR Ordinance did incorporate a grandfather provision for the continued use of condominiums as short-term rentals and that the provision required the applicant to submit a renewal application. Ms. Largent noted that the new Ordinance does not state that the property owner was prevented from operating as a STR in the future if a renewal permit was submitted regardless of the circumstances.

A motion was made by Councilmember Klein and seconded by Mayor Pro-Tem Kirchner to deny the appeal for the issuance of a STR Permit for 705 E. Highway St., #104. The motion carried unanimously.

E. Consider and take action on appeal of STR Permit denial for 705 W. Travis St. by Owners Mark & Julianne King (Shelby Collier, Senior Planner)

Shelby Collier reported that the property owners operated 3 rental properties in total, all of which were compliant with occupancy tax payments and had no violations on file. She added that a Granicus Software error prevented the property owner from submitting a renewal application for the property at 705 W. Travis prior to the November 31, 2023, expiration date.

Julianne King, property owner, addressed the challenges encountered with identifying 705 W. Travis as a rental property within the Granicus System and the time involved having to submit original paperwork and occupancy tax payments each quarter to the City just for this property.

A motion was made by Councilmember Briley and seconded by Mayor Pro-Tem Kirchner to re-instate the STR-Unoccupied Permit for 705 W. Travis St. The motion carried unanimously.

9. CITY MANAGER'S REPORT
A. City Manager's Monthly Update

City Manager Clinton Bailey reported that a total of 182 Single-Family residential subdivision lots had been completed out of the 720 approved for construction while 550-600 multi-family lots had been approved for construction.

Kris Kneese, Director of Public Works & Utilities, highlighted several Capital Improvement Projects and noted that status reports would be provided to the Mayor and Council. He added that staff would start working on the South Llano Shared Use Pedestrian Bridge and Ufer St. Sidewalk Project once the Pedestrian Bridge, which was scheduled to be delivered July 17th, was installed. He noted that the project was funded through a TxDOT Grant.

Mr. Kneese reported that staff began paving streets identified in the 2024 Street Paving Program on July 9th and approximately 90 blocks or 350,0000 sq. yards of pavement would be coated with a single course of chip seal. He highlighted additional mill and overlay repairs to be completed by TxDOT along Main Street. Lastly, an Aquifer Level report as of July 12th was provided of various wells throughout the city.

Mr. Bailey highlighted Park events scheduled for July 27-28, 2024.

Krista Wareham, Finance Director, highlighted Revenues and Expenditures as of June 2024 and stated that this was similar to the June financials over the last 3 years. She anticipated the city would be on target, if not a little over, for budgeted FYE revenues. With regards to the area of expenditures, she estimated a cost savings from Public Works Capital Improvement Projects, Maintenance and Operations, and Personnel. Mrs. Wareham reported that salaries had been adjusted reflecting COLA and merit increases and that the Step-Plan had been implemented.

Mr. Bailey reported on Sales Tax Revenue generated, Electric and Wastewater Revenue, Consumption, Police Incidents and Calls for Service. He also covered Code Enforcement Statistics, Fire and EMS incidents and the Health Department activity all as of June 2024.

Mr. Bailey noted that the city had a total of 16 Full-time vacancies and one Part-time vacancy with several positions being filled by either a new hire or internal/former staff member.

In the area of Civic Engagement, Mr. Bailey reported that over thirty individuals attended the Main Steet Merchant Town Hall Meeting. He also highlighted the Coffee with the City Manager scheduled for July 17th and the Fredericksburg Citizens University scheduled for July 23rd. Lastly, Mr. Bailey reported on Soccer Field Improvements completed since May 17, 2024.

10. ITEMS FOR FUTURE AGENDA
A. Future Agenda Items Highlighted

City Manager Bailey reported on items to be discussed at the August 6th Council Meeting to include Health Department fees, Issuance of the Certificates of Obligation, Truth in Taxation Rates, and Conceptional Plans of the Glockenspiel at MarktPlatz.

11. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section (551.072):

A. Consider and discuss Real Estate in the vicinity of US 290E and Old San Antonio Rd. (Section 551.072)

B. Consider and discuss the value and possible disposition of city-owned real properties located throughout the City (Section 551.072)

At this time, Mayor Hoover announced that the City Council Meeting would be recessed to go into executive session to discuss the posted items.

12. BUSINESS ITEM

Mayor Hoover reconvened the meeting into Regular Session and announced no action.

13. ADJOURN

Mayor Hoover adjourned the meeting at 12:13 pm.

Jeryl Hoover, Mayor

ATTEST:

Leticia Vacek, TRMC,CMC,MMC
City Secretary/RMO