



City of Fredericksburg

City Council Regular Meeting Minutes
Tuesday, August 20, 2024 ~ 9:00 AM
Law Enforcement Center
1601 E. Main Street
Fredericksburg, Texas 78624

City Council Members Present:

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

Members Absent:

None

City Staff Present:

Clinton Bailey, City Manager
Garret Bonn, Assistant City Manager
Leticia Vacek, City Secretary
Mick McKamie, City Attorney (via phone)
Kris Kneese, Director of Public Works and Utilities
Brian Vorauer, Police Chief
Lynn Bizzell, Fire Chief
Aaron Anderegg, IT Director
Krista Wareham, Director of Finance
Anna Hudson, Director of Development Services
Andrea Schmidt, Director of Parks and Recreation
Sean Doerre, Public Information Officer
Leslie Embrey Ball, Assistant to the City Secretary

1. CALL TO ORDER

Mayor Jeryl Hoover called the meeting to order and announced that a quorum of the council was present.

2. INVOCATION

John Ussery, Elder at Trinity Fellowship Church, delivered the Invocation.

3. PLEDGES OF ALLEGIANCE

Mayor Hoover led the Pledges.

4. CEREMONIAL ITEMS

- A. Service Recognition for Peggy Benson who served a total of 33 years on the Market Square Redevelopment Commission. (Mayor Hoover to present Plaque, Andrea Schmidt, Director of Parks & Recreation and Chair Tim Crenwelge)

Andrea Schmidt thanked, recognized, and wished Peggy Benson the best after serving 33 years on the Market Square Redevelopment Commission. Mayor Hoover presented Peggy Benson with an outgoing plaque and thanked her for the last 33 years she devoted to the Commission. Tim Crenwelge noted how Peggy will be missed as she had done such an outstanding job serving on the board. He also thanked her for her 33 years of service.

- B. Recognition of New Parks & Recreation City Employee Emmett Leija.

Mayor Hoover recognized new Parks & Recreation employee Emmett Leija.

5. COUNCIL COMMENTS

Councilmember Briley reported on the following.

- Announced the upcoming Chamber event and noted Kulda was looking for auction items.
- Reminded all of the Leadership Breakfast on September 11, 2024 at the Nimitz Ballroom and noted that Clinton Bailey will be the Keynote Speaker.

Councilmember Klein reported on the following.

- Announced that he will be attending the County Commissioner's Meeting.
- Noted the vacancies on the Market Square Redevelopment Board which will be addressed later on this agenda.

Mayor Pro-Tem Kirchner reported on the following.

- Reminded all that schools are back in session and to be aware of the School Zones.
- Announced the Alzheimer's Walk will be held September 14, 2024 at 9 am.
- Announced that Connecting the Vine was holding their Community Health Affair on October 12th at 10 a.m. at the Methodist Church.

Councilmember Watson reported on the following.

- Reported that he attended Leadership Gillespie County.
- Attended the Hill Country Alliance Meeting on August 15th with the topic on affordability and the local economy.
- Noted that the Coffee with the City Manager session was well attended with great discussion had.
- Reported that he attended the EDC Meeting where the topic discussed was on the real estate market.

Mayor Hoover noted the following.

- Provided stats on the STRs, Residential Permits (R-1, and R-2) and Commercial Permits.
- Noted his comments on the Mural Painted on the West Wall of 522 W. Main Street that has gained momentum on social media stating that said item will be heard by the Zoning Board of Adjustment on September 18, 2024.

6. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION.

- A. Consider approval of City Council Minutes for the Regular Meeting of July 16, 2024.
(Leticia Vacek, City Secretary)

Mayor Pro-Tem Kirchner moved to approve the Regular Meeting Minutes of July 16, 2024.

Councilmember Klein seconded the motion. The motion carried unanimously.

7. ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

- A. Consideration and approval of Ordinance 2024-24 amending Section 24.400, "Fees For Use of Lady Bird Johnson Park and Campgrounds relating to "Recreational Fees," appendix A, "Fee Schedule," of the Fredericksburg Code of Ordinances, by decreasing the daily rate at the Campgrounds. (Andrea Schmidt, Director of Parks and Recreation)

Andrea Schmidt provided a summary of the fee schedule noting that the daily rate would be decreased. Councilmember Watson moved to adopt Ordinance 2024-24. Mayor Pro-Tem Kirchner seconded the motion. The motion carried unanimously.

- B. Consideration and approval of Ordinance 2024-25 related to the Health Permit Fee Schedule. (Kelli Olfers, Director of Gillespie County Health Division)

Kelli Olfers provided a summary of the proposed Health Permit Fee Schedule noting it had been 9 years since the fees were last adjusted. She stated comparisons were reviewed of surrounding cities. Councilmember Watson moved to adopt Ordinance 2024-25. Councilmember Briley seconded the motion. The motion carried unanimously.

- C. CONSIDERATION AND APPROVAL OF ORDINANCE 2024-26 BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS AUTHORIZING THE ISSUANCE OF "CITY OF FREDERICKSBURG, TEXAS, UTILITY SYSTEM REVENUE BONDS, SERIES 2024"; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, TOGETHER WITH CERTAIN CURRENTLY OUTSTANDING PRIOR LIEN OBLIGATIONS, BY A FIRST AND PRIOR LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE CITY'S COMBINED UTILITY SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SUCH BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND SALE DOCUMENTATION; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE. (Garret Bonn, Asst. City Manager)

- i. Presentation by Dan Wegmiller, Specialized Public Finance, Inc. (Financial Advisor)
- ii. Hold a Public Hearing (Mayor declares the Public Hearing open and calls upon individuals to speak. Mayor declares the Public Hearing closed)
- iii. Take Action to Adopt Ordinance No. 2024-26

Dan Wegmiller presented the bids for the issuance of \$2 million which was part of the process of the City's acquisition for renovation of the Hill Country University Center facility. He stated that they received 5 bids total that were opened this morning. Of the 5 bids received, the bid with the lowest interest rate came in at 3.89% in which all documents will be updated to reflect the recommended bidder. Mayor Hoover recognized Bond Counsel Stephanie Leibe of Norton Rose Fulbright who stated that she had reviewed the entire bond issuance transcript.

Mayor Hoover declared the public hearing open. There being no one to speak on the item, Mayor Hoover declared the public hearing closed.

Councilmember Briley moved to adopt Ordinance 2024-26 authorizing the City of Fredericksburg, Texas Issuance of Utility System Revenue Bonds, Series 2024. Councilmember Watson seconded the motion. The motion carried unanimously.

8. OTHER ACTION ITEMS AND UPDATES

A. Consideration and Approval of the City's Bank Depository Contract for Financial Services. (Krista Wareham, Director of Finance)

Krista Wareham presented the contract for the City's Bank Depository Contract noting that bid proposals were received from Security State Bank & Trust and Texas Regional Bank. She stated that staff's professional recommendation was to continue with a new contract with Security State Bank & Trust with a term beginning October 1, 2024 and extend through September 30, 2027, with the option of two (2) one-year extensions, upon mutual agreement by the Parties.

She introduced Kay Stech and Consuelo Rivera from Security State Bank & Trust.

Councilmember Klein moved to approve the depository contract as recommended by staff. Councilmember Briley seconded the motion. The motion carried as follows:

AYE: Councilmembers Klein, Briley, Watson, and Mayor Hoover

NAY: None

ABSTAIN: Mayor Pro-Tem Kirchner

B. Consideration of the Proposed Tax Rate Approval. (Krista Wareham, Director of Finance)

Krista Wareham presented the two tax rates after having received the certified appraisal roll being the No-New Revenue Tax Rate and the Voter-Approval Tax Rate.

She reported the 2024 Calculated City Property Tax Rates with the No-New Revenue Tax Rate of \$0.160769; the Voter Approval Tax Rate of \$0.188764; the De minimis rate of \$0.192171; and the Voter Approval with the unused increment tax rate at \$0.205326. She also referenced a slide on the City Property Tax Rate History showing the total tax rate in years 2019 and 2020 at a total tax rate of \$0.227284 and \$0.220775, respectively. In 2021 and 2022 the total tax rate remained the same both years at \$0.195823. Lastly, in 2023 the total tax rate was reduced to \$0.165180. Mrs. Wareham stated that staff's recommendation for 2024 was with the unused increment for a total tax rate at \$0.205326.

Mayor Hoover noted that today's action was to set the tax rate and that a Public Hearing on the Tax Rate would be held on September 12, 2024 at 9 a.m. at the Law Enforcement Center.

Councilmember Watson moved to set the 2024 City Tax Rate with the unused increment at \$0.205326. Councilmember Klein seconded the motion. The motion carried as follows:

AYE: Councilmembers Watson, Klein, Briley, Mayor Pro-Tem Kirchner, and Mayor Hoover

- C. Consider the appeal of the denial of a Short-Term Rental-Unoccupied Permit Application requested by Joel Ratliff for the property located at 105 E Burbank. (Anna Hudson, Director of Development Services)

Anna Hudson reported that the property was being sold and the owner failed to renew the permit for a STR. She added that the 90-day grace period had expired. Mrs. Hudson introduced Mr. Ratliff who presented his case explaining the reason for the failed renewal.

After due consideration, a motion was made by Councilmember Briley to grant the appeal and reinstate the process to allow for the renewal of the STR. Councilmember Watson seconded the motion. The motion carried as follows:

AYE: Councilmembers Briley, Watson, and Mayor Hoover

NAY: Mayor Pro-Tem Kirchner and Councilmember Klein

- D. Consideration and Possible Action for a contract with TXP to conduct a Feasibility Analysis of a Tax Increment Reinvestment Zone (TIRZ). (Anna Hudson, Director of Development Services)

Mrs. Hudson presented a brief recap of a TIRZ Program denoting what it is and reasons entities utilize said tool. She introduced Mr. Travis Jones who provided specifics of TIRZ projects and spoke of the general areas that are selected for a TIRZ. It was indicated that the amount at this time to proceed with the study is \$14,500.00. Mrs. Hudson mentioned that the TIRZ Program account can be viewed as a savings account for a particular improvement. She added if the TIRZ Program was implemented now; the city would not start collecting the tax until 2026.

Mayor Hoover indicated that he was interested in the development and improvement to W. Main Street. He added that this feasibility study would provide answers that he does not have as it relates to areas for development, improvement, and other key issues.

Mayor Pro-Tem Kirchner moved to approve the agreement for a Public Improvement Increment Tax Zone with a change to the header from "Creation" to "Feasibility Study". Councilmember Watson seconded the motion. The motion carried as follows:

AYE: Councilmembers Watson, Briley, Mayor Pro-Tem Kirchner, and Mayor Hoover

NAY: Councilmember Klein

- E. Consider and Take Action on Appointments to the Market Square Redevelopment Commission, Historic Review Board and Zoning Board of Adjustment (Garret Bonn, Asst. City Manager)

Said item was deferred to the Executive Session. After the executive session, the Council took action to appoint the following individuals.

Market Square Redevelopment – Lauren Smith, Travis Neal, Griffin Kott

Historic Review Board – Donna Heinen Sanders

Zoning Board of Adjustment – Mike Mahoney (full-member)

9. CITY MANAGER’S REPORT

- A. City Manager's Monthly Update

City Manager Bailey began with an update on development throughout the city. Kris Kneese provided an update on the Main Street Repaving and Restriping Street Project that is being done by TXDOT. He referenced the time lapse video of the Llano Bridge being placed and presented an update on the Water Levels for the various Wells and monthly pumping. Krista Wareham presented an update on the FY 2024 YTD Finances. City Manager Bailey provided a brief report on Police and Fire/EMS monthly calls, response times, transfers, and mutual aid provided. He briefly reported on the Health Department monthly activity. City Manager Bailey also referenced the City Department Openings and Recently Filled positions. Lastly, he mentioned Civic Engagement of Coffee with the City Manager noting that Garret would cover same while he would be speaking at the Chamber Leadership event on the same day.

10. ITEMS FOR FUTURE AGENDA

- A. Future Agenda Items List

City Manager Bailey reviewed the Future Agenda List with the Council noting the dates of the upcoming Public Hearing on the Tax Rate as well as the Final votes to approve the FY25 Budget and Tax Rate. He also reminded everyone of the Special Budget Meeting on August 27th at 1pm in the John Wm. Klein Room.

11. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code (Sections 551.072 & 551.074):

- A. Consider and discuss Real Estate in the vicinity of US 290E and Industrial Loop (Section 551.072)
- B. Consider and discuss Real Estate in the vicinity of US 290E and Old San Antonio Rd. (Section 551.072)
- C. Consider and discuss the appointment, evaluation, reassignment, duties, or dismissal of a public officer, specifically the appointment of persons to fill vacancies on the City’s

Boards and Commissions (Section 551.074). Companion Item 8E.

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

RECESSED

Mayor Hoover announced that the City Council Regular Meeting would be in recess at 10:48 am to go into executive session.

RECONVENED

Mayor Hoover reconvened the City Council Regular Meeting at 11:12 am.

12. BUSINESS ITEM

The City Council will reconvene into Regular Session upon the conclusion of the Executive Session, the City Council may take action on any item posted in Executive Session, as necessary.

Mayor Pro-Tem Kirchner moved to appoint Lauren Smith, Travis Neal and Griffin Kott to the Market Square Redevelopment Board; and to appoint Donna Heinen Sanders to the Historic Review Board, and to appoint Mike Mahoney to the Zoning Board of Adjustment (ZBA) as a full member. It was noted that an Alternate to the ZBA would be necessary. Councilmember Watson seconded the motion. The motion carried unanimously.

RECESSED

Mayor Hoover announced that the City Council Regular Meeting would be in recess at 11:14 am to go back into executive session.

RECONVENED

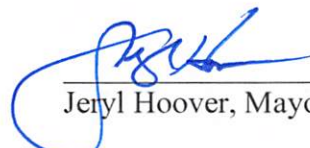
Mayor Hoover reconvened the City Council Regular Meeting at 12:22 pm. No action further action was taken.

13. ADJOURN

Mayor Hoover adjourned the meeting at 12:22 pm.

ATTEST:


Leticia Vacek, City Secretary


Jeryl Hoover, Mayor