



REGULAR CITY COUNCIL MEETING AGENDA
MONDAY, MAY 3, 2021 ~ 6 P.M.
ROCK BOX THEATER
109 N. LLANO STREET
FREDERICKSBURG, TEXAS 78624

Charlie Kiehne, Mayor
Tom Musselman, Councilmember
Bobby Watson, Councilmember

Jerry M. Luckenbach, Councilmember
Polly Rickert, Councilmember
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a regular session on Monday, May 3, 2021 at 6 p.m. This meeting will be held in person and live stream on our YouTube Channel.

Link to City of Fredericksburg YouTube Channel [Fredericksburg, Texas USA - YouTube](https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured)
(<https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured>)

Audio of this meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PROCLAMATION

A. Fredericksburg 175th Anniversary.
(Agenda Packet Pages 5-6)

4. EMPLOYEE RECOGNITIONS

5. PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all City Council Regular Meetings. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

Written Comments: to be submitted remotely:

1. Must be received by 3 p.m. on May 3, 2021.
2. Complete the Citizen Comment Form online at [Fredericksburg, TX - Official Website \(fbgtx.org\)](https://fbgtx.org); or
3. Email your comments to CitizenComments@fbgtx.org or
4. Complete a Citizen Comment Form located inside the Public Access entrance at 126 W. Main Street, Fredericksburg, Texas, and place in the box marked Citizen Comment Form.

Copies of the submitted comments will be provided to the City Council and made public on the City website under the "**May 3, 2021**, City Council Regular Meeting" tab.

Verbal Comments:

1. Sign up in-person between 5:30 p.m. and 6 p.m. at the Rock Box Theater in order to comment.
2. You will be limited to 3 minutes to speak.

6. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF CITY COUNCIL.

- A. Consider approval of City Council Minutes April 19, 2021 Regular Meeting (Shelley Goodwin, City Secretary)
(Agenda Packet Pages 7-16)
- B. Consider, discuss and take action regarding approval of the Fourth of July Parade & Patriotic Program, and the request to add the Fourth of July Parade to the City's general liability insurance (Jennifer Krupa, Special Events Coordinator).
(Agenda Packet Pages 17-20)

7. RESOLUTION

- A. Consider the approval of Resolution 2021-05R related to the Annual Review of the City's Investment Policy and Investment Strategies Policy (Laura Hollenbeck, Finance Director).
(Agenda Packet Pages 21-36)

8. OTHER ACTION ITEMS AND UPDATES

- A. Consider the approval of an Annexation Agreement for services requested by the property owner for the property located at 3255 S. SH-16, across from the Airport (Z-2104) (Jason Lutz, Director of Development Services).
(Agenda Packet Pages 37-50)
- B. Consider, discuss, and take appropriate action on allowing temporary structures (tents) in the Historic Overlay District (Jason Lutz, Director of Development Services).
(Agenda Packet Pages 51-52)

9. CITY MANAGER REPORT

- A. Electric Rate Benchmarking Report
- B. Community Visioning Update
- C. City Council Work Session
- D. Election Update
- E. Legislative Update

10. ITEMS FOR FUTURE AGENDA

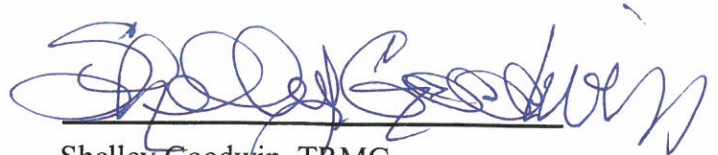
(Agenda Packet Pages 53-54)

11. COUNCIL COMMENTS

Reports about items of community interest, which no action will be taken.

12. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 9:00 a.m. on April 29, 2021, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.



Shelley Goodwin, TRMC
City Secretary

Proclamation

WHEREAS, Fredericksburg was the second German town in Texas founded by the Adelsverein, better known as the Society for the Protection of German Immigrants in Texas, on May 8, 1846.; and

WHEREAS, Baron Otfried Hans von Meusebach expecting more German settlers to New Braunfels in the winter of 1845-1846, found a site 80 miles northwest where resources were abundant. Lands were cleared and town lots were distributed, each settler receiving a town lot and 10 acres in the vicinity of the settlement; and

WHEREAS, Meusebach, realizing that friendly relations with the Native Americans were needed, assembled a team of 40 men and met with the Penateka Comanches. On March 1 and 2, 1847, he made a treaty with them and to this day the treaty is still considered to be unbroken; and

WHEREAS, while the founding fathers of Fredericksburg faced obstacles and created a beautiful unique German colony in the heart of the Hill Country; and

WHEREAS, among the many traditions the German settlers brought with them to Texas, the love for Lasting History and Traditions is the strongest; and
(deleted "of" between lasting and history)

WHEREAS, it is most appropriate that we recognize the history and traditions of the City and all the activities that have been planned to celebrate the occasion of this anniversary.

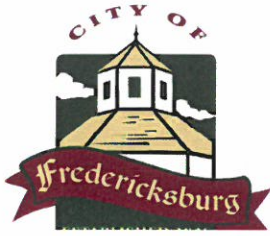
NOW, THEREFORE, I, Charlie Kiehne, Mayor of the City of Fredericksburg, Texas, by virtue of the authority vested in me, do hereby proclaim the year of May 8, 2021 through May 9, 2022, as

175th Anniversary of Fredericksburg, Texas

in the City of Fredericksburg, and urge all citizens to join with me in celebrating the City of Fredericksburg's 175th Anniversary.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Fredericksburg to be affixed this 3rd day of May, 2021.

Charlie Kiehne
Mayor



CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL REGULAR MEETING

APRIL 19, 2021

The City of Fredericksburg City Council held their regular session on Monday, April 19, 2021 at 6 p.m. This meeting was held in person at the Rock Box Theater and live streamed on the Fredericksburg YouTube Channel.

Members Present:

Mayor Charlie Kiehne
Councilmember Tom Musselman
Councilmember Polly Rickert
Councilmember Bobby Watson

Members Absent:

Councilmember Jerry Luckenbach

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities
Daniel Jones, City Attorney
Lynn Bizzell, Fire Chief
Steve Wetz, Police Chief
Eric Whiting, Information Technology Director
Andrea Schmidt, Parks Department Director
Laura Hollenbeck, Finance Director
Lea Feuge, Public Information Officer
Justin Calhoun, Emergency Management Coordinator
Kris Kneese, Assistant Director of Public Works and Utilities
Garrett Bonn, Assistant Engineer
Jennifer Krupa, Special Events Coordinator
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the regular meeting of the Fredericksburg City Council to order at 6:00 p.m. on Monday, April 19, 2021. Mayor Kiehne announced a quorum of the City Council present.

2. PLEDGE OF ALLEGIANCE

Mayor Kiehne led the Pledge.

3. SPECIAL PRESENTATION

A. Fredericksburg 175th Anniversary presentation of an quilt.

Steve and Beverly Allen, owners of the One Quilt Place, honored the City with a 175th Anniversary quilt.

4. EMPLOYEE RECOGNITIONS

Kent Myers, City Manager, stated he received a thank you for the EMS. He stated the thank you expressed the gratitude for the rapid response of the EMS attendants.

5. PUBLIC COMMENTS

Kimberly Lams, City resident, reviewed data regarding the COVID-19 vaccinations. She demanded the City Council cease and assist promoting the vaccine.

MaryLee Marschall, City resident, spoke regarding the hierarchy of government and the responsibilities government has to the taxpayers.

Tom Marschall, City resident, lead the meeting participants in prayer. He encouraged the City Council to begin each meeting with a prayer. He also spoke regarding the need to end the Emergency Declaration.

Timothy Riley, City resident, spoke regarding none of the Agenda items not related to the Path of the City. He feels the City is not getting enough done concerning the Path of the City. He also inquired as to why the City slowed down the STR process.

Jeannette Hormuth, City resident, spoke regarding data related to the COVID-19 vaccine. She also stated the newspaper and government have a responsibility to put out the truth about the vaccine. She inquired about the amount of funds the City has given to the County for the vaccine.

George Studor, City resident, spoke regarding opening the City Council meetings with an invocation. He stated he believes we all answer a higher authority and ask for assistance with making decisions and unity.

Robert Phenix, City resident, spoke regarding the vaccine being voluntary. He stated the vaccine is an experiment, and the City should not be supporting the vaccine or a vaccine passport.

Kent Myers, City Manager, stated the City slowed down the STR process to allow for additional meetings with STR owners, property managers, neighborhood residents, and public hearings. He also noted the City is not providing funding for the vaccinations.

6. CONSENT

A. Consider approval of City Council Minutes April 5, 2021 Regular Meeting (Shelley Goodwin, City Secretary)

B. Consider, discuss and take action regarding approval of the street closures for the following events (Jennifer Krupa, Special Events Coordinator):

- i. Kraut Run – closure of W. Travis Street from N. Crockett Streets to N. Adams from 6:30 a.m. to 12 p.m. on Saturday, October 2, 2021.**
- ii. Oktoberfest – to use the City Hall parking lot on Friday, October 1, 2021 at 6 p.m. until Sunday, October 3, 2021 at 8 p.m., the drive bay in Annex. 1 on Friday, October 1, 2021, at 5 p.m. until Sunday, October 3, 2021 at 10 p.m. Two streets 1) Adams Street between Main and Austin beginning on Wednesday, September 29, 2021, at 5 p.m. through Monday, October 4th at 3 p.m. and 2) Austin Street between Crockett and Adams beginning Thursday, September 30th at 12 p.m. until Monday, October 4th at 12 p.m.**

- iii. **Fredericksburg Food & Wine Fest - closure of Adams Street (parking lane and one southbound lane) between Main Street and Austin Street beginning on Thursday, October 21, 2021, at 3 p.m. through Monday, October 25, 2021, at 12 p.m.**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve A. and B. of the Consent Agenda. The City Council voted four (4) for, and none (0) opposed.

7. PUBLIC HEARINGS

- A. Hold a public hearing to receive citizen comments for or against a request from John Needham with Seco Enterprises for annexation and requested zoning of a Planned Unit Development (PUD) for approximately 5.044 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of the southwest corner of Friendship Lane and South Eagle Street (Z-2101) (Jason Lutz, Director of Development Services).**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to open the public hearing at 6:35. The City Council voted unanimously four (4) for, and none (0) opposed.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to open the public hearing at 6:36. The City Council voted unanimously four (4) for, and none (0) opposed.

8. ORDINANCE AND RESOLUTION

- A. Consider the approval of Ordinance 2021-05 annexing and assigning a zoning classification of a Planned Unit Development (PUD) for approximately 5.044 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of the southwest corner of Friendship Lane and South Eagle Street (Z-2101) (1st of two readings; City Council may waive 2nd reading) (Jason Lutz, Director of Development Services).**

Jason Lutz, Director of Development Services, stated the applicant is requesting annexation in order to develop a mixed-use development that will contain multi-family structures, single-family type structures, commercial facilities, and office/live work facilities. This ordinance is for a zoning designation of Planned Unit Development (PUD); the request was approved by Planning and Zoning Commission as well as the adjacent property rezoning.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Rickert, to approve Ordinance 2021-05 annexing and assigning a zoning classification of a Planned Unit Development (PUD) for approximately 5.044 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of the southwest corner of Friendship Lane and South Eagle Street (Z-2101) and waive the second reading. The City Council voted unanimously four (4) for, and none (0) opposed.

- B. Consider the approval of Ordinance 2021-06 amending Article 24.000-Recreational Fees, of Appendix A-Fee Schedule of the Code of Ordinances, to replace the current Swimming Pool Season Pass System with a Punch Pass System, to provide greater convenience and flexibility for City Pool users (1st of two readings; City Council may waive 2nd reading) (Andrea Schmidt, Parks Director).**

Katelyn Brazell, Recreation Superintendent, reviewed the cost and procedures of the current pool passes. She recommended a punch pass, which would be valid for 12 entries for the price of 10 entries. The passes could be used for any guest and would no longer be limited to the individual or swim pass family members.

The City Council discussed the punch pass system and the number of entries.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Ordinance 2021-06 amending Article 24.000-Recreational Fees, of Appendix A-Fee Schedule of the Code of Ordinances, to replace the current Swimming Pool Season Pass System with a Punch Pass System, to provide greater convenience and flexibility for City Pool users and waive the second reading. The City Council voted unanimously four (4) for, and none (0) opposed.

- C. Consider the approval of Resolution 2021-04R regarding the application of Atmos Energy Corporation – Midtex Division, to increase rates under the Gas Reliability Infrastructure Program; suspending the effective date of this rate application for forty-five days; authorizing the City to continue to participate in a Coalition of Cities known as the "Atmos Texas Municipalities;" determining that the meeting at which the Resolution was adopted complied with the Texas Open Meetings Act; making such other findings and provisions related to the subject; and declaring an effective date (Kent Myers, City Manager).**

Kent Myers, City Manager, stated that the City of Fredericksburg is a member of the Atmos Texas Municipalities, which involved reviewing and commenting on proposed increases in Atmos gas rates. He noted the City can delay a rate increase to allow us to evaluate any rate increase thoroughly. He reviewed the current customer charges and the adjusted customer charges.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Rickert, approval of Resolution 2021-04R regarding the application of Atmos Energy Corporation – Midtex Division, to increase rates under the Gas Reliability Infrastructure Program; suspending the effective date of this rate application for forty-five days; authorizing the City to continue to participate in a Coalition of Cities known as the "Atmos Texas Municipalities;" determining that the meeting at which the Resolution was adopted complied with the Texas Open Meetings Act; making such other findings and provisions related to the subject; and declaring an effective date. The City Council voted unanimously four (4) for, and none (0) opposed.

9. OTHER ACTION ITEMS AND UPDATES

- A. Consider the approval of an Annexation Agreement with SECO Ventures, related to the requested annexation of approximately 5.004 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of southwest corner of Friendship Lane and South Eagle Street (Z-2101) (previously discussed on March 15, 2021 and April 5, 2021 City Council Regular Meeting) (Jason Lutz, Director of Development Services).**

Jason Lutz, Director of Development Services, reviewed the changes that were made to the agreement since April 5, 2021. He also noted that the sidewalk issues can be addressed during the platting process.

The City Council discussed the park dedication requirements and the items discussed during the platting process.

Motion: A motion was made by Councilmember Rickert, seconded by Councilmember Watson, to approve an Annexation Agreement with SECO Ventures, related to the requested annexation of approximately 5.004 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of southwest corner of Friendship Lane and South Eagle Street (Z-2101), amend the agreement by striking Section 4 Parkland and add sidewalk Phase 1 Eagle Street. The City Council voted three (3) for, and one (1) opposed (Kiehne).

- B. Consider, discuss, and take appropriate action on the Annexation Agreement requested**

**by the property owner for the property located at 701 W. Live Oak Street (Z-2017)
(Jason Lutz, Director of Development Services).**

Jason Lutz, Director of Development Services, reviewed the history of the property. He stated that 701 W. Live Oak Street property owner has requested voluntary annexation due to a failing septic system. He noted the property is currently an existing hole in the City Limits and would provide the City an opportunity to fill the area and establish zoning.

The City Council discussed the Annexation Agreement and the need to make this property part of the City.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Ricket, to Annexation Agreement requested by the property owner for the property located at 701 W. Live Oak Street (Z-2017). The City Council voted unanimously four (4) for, and none (0) opposed.

**C. Consider, discuss and take action regarding approval of Lease Renewal with the Girl Scouts of Central Texas for the use of the City facility known as the Girl Scout Cabin
(Andrea Schmidt, Parks Department Director).**

Bonnie Baseke spoke about the history of the Girl Scouts and the Girl Scout Cabin. She also spoke for the need to continue to allow the Girl Scouts to use the Cabin.

Harper Hudson encouraged the City Council to approve the renewal of the lease for the Girl Scout Cabin.

Tracy Knudsen encouraged the City Council to approve the renewal of the lease for the Girl Scout Cabin.

The City Council discussed the Lease Renewal of the Girl Scout Cabin.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Ricket, to approve the Lease Renewal with the Girl Scouts of Central Texas for the use of the City facility known as the Girl Scout Cabin. The City Council voted unanimously four (4) for, and none (0) opposed.

D. Consider, discuss, and take action regarding a Partial Release of a Water Line Easement that is no longer used to transmit water from the old Achtzen Water Well to the City limits (Clinton Bailey, Assistant City Manager and Director of Public Works and Utilities and Kris Kneese, Assistant Public Works Director).

Kris Kneese, Assistant Public Works Director, reviewed the history of the water line easement. He noted since the old Achtzen Well no longer exists; therefore a portion of the water line easement can be released.

The City Council discussed the release and the underground water.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Ricket, to approve Partial Release of a Water Line Easement that is no longer used to transmit water from the old Achtzen Water Well to the City limits. The City Council voted unanimously four (4) for, and none (0) opposed.

E. Consider, discuss, and take action regarding FY2020 Audit presentation (Laura Hollenbeak, Director of Finance)

Janet Pitman, CPA with ABIP, reviewed the Audit of Fredericksburg's financial statements. She also reviewed the responsibilities of management and auditors, the opinion of ABIP, and other matters. She reviewed the different account balances.

The City Council discussed the investment funds and the great shape the City is in during a pandemic.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve the FY2020 Audit. The City Council voted unanimously four (4) for and none opposed.

F. Consider, discuss, and take action regarding the allocation of the Hotel Occupancy Tax (HOT) funding for 2021 (Shelley Goodwin, City Secretary).

The City Council pulled the following applications to be considered separately:

- Gillespie County Historical Society/Public Restroom Provider
- Former Texas Rangers Foundation-Celebrate Texas
- Former Texas Ranger Foundation-History
- Gillespie County Children's Foundation

Motion: A motion was made by Councilmember Rickert, seconded by Councilmember Musselman, to approve the remaining 20 applications in the amount of \$456,62 (see attached spreadsheet). The City Council voted unanimously four (4) for and none opposed.

Former Texas Rangers Foundation-Celebrate Texas and Former Texas Ranger Foundation-History
Dr. Ginn, Executive Director for Former Texas Rangers Foundation, reviewed the marketing and promotion for their events during 2021 and 2022. He also reviewed the estimated people that the Foundation feels will bring to Fredericksburg for overnight stays.

Motion: A motion was made by Councilmember Rickert, seconded by Councilmember Musselman, to approve the funding for *Former Texas Rangers Foundation-Celebrate Texas and Former Texas Ranger Foundation-History* totaling \$40,000 (see attached spreadsheet). The City Council voted unanimously four (4) for and none opposed.

Gillespie County Children's Foundation

Amy Beicker, Gillespie County Children's Foundation, reviewed the Main Street Mockings, a public art exhibit coupled with a children's book and a scavenger hunt for families.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Rickert, to approve a one-time funding for Gillespie County Children's Foundation in the amount of \$13,000 (see attached spreadsheet). The City Council voted unanimously four (4) for and none opposed.

Gillespie County Historical Society/Public Restroom Provider

The City Council discussed the application and agreed to fund this year, but in the future fund out of the tourism line item.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve a one-time funding out of HOT for *Gillespie County Historical Society/Public Restroom Provider* in the amount of \$3,795 (see attached spreadsheet). The City Council voted unanimously four (4) for and none opposed.

10. CITY MANAGER REPORT

A. Election Update

Shelley Goodwin, City Secretary, reviewed the in person Early Voting and Ballot by Mail turnout as of April 19, 2021. She also reviewed the upcoming Early Voting hours and location, and the Election Day hours and location.

Kent Myers, City Manager, reviewed the timeframe for canvassing the May 1, 2021, Election and the effective date of taking office, which is provided in the City Charter.

B. May City Council Work Session

Kent Myers, City Manager, reported after the May Election the City Council will hold a Work Session. The date for the session will be considered after the election, but the location will be the Cardinal Room at the LBJ Golf Course. He noted the following items are tentative:

- City Council Rules and Procedures
- Re-use of the Middle School
- Budget Amendments
- New 2022 Budget priorities

Councilmember Musselman suggested adding to the discussion the Park Dedication Ordinance to a future Work Session Agenda.

C. Sports Park Update

Clinton Bailey, Assistant City Manager and Director of Public Works and Utilities, reviewed the history of the Sports Park. He reported on a meeting that was held with the Fair Association to discuss an agreement for easement. He also reported that the Soccer Association is approaching the Gillespie County Commissioner's Court for assistance with the Sports Park.

The City Council asked to be regularly updated on this project.

D. Legislative Update

Kent Myers, City Manager, reported that SB 10 has passed the Senate. The original bill was amended to allow Cities to use TML but not hire an additional lobbyist and not influence property tax bills. He also reported on HB 1869, relating to the definition of debt to calculate certain ad valorem tax rates of a taxing unit. He stated this bill is going to the Senate.

11. ITEMS FOR FUTURE AGENDA

Kent Myers, City Manager, reviewed the Future Agenda items.

12. COUNCIL COMMENTS

Councilmember Rickert encouraged everyone to get out and vote.

Councilmember Watson reported the Airport Advisory Commission met. He noted that the fuel sales for January-March are up 22% and the T Hangers are 100% capacity with 32 individuals on the waiting list.

Councilmember Musselman announced that the City Early Voting is at the Girl Scout Cabin and the FISD Early Voting is at 95 Frederick Road.

Mayor Kiehne reported that voter turnout is low and encouraged everyone to vote. He also thanked the Volunteer Fire Fighter Association on a successful Fish Fry.

13. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.074 (Personnel Matters):

A. Consider and discuss personnel issues related to the search for and appointment of a new Municipal Court Judge (Personnel matters - Section 551.074).

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Rickert, to go out of Regular Meeting into Executive Session at 8:10 p.m. The City Council voted four (4) for, and none (0) opposed.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to go out of Executive Session into the Regular Meeting at 8:55 p.m. The City Council voted four (4) for, and none (0) opposed.

14. BUSINESS ITEM

The City Council did not take action on this item.

15. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to adjourn the Monday, April 19, 2021, Regular Meeting at 8:57 p.m. The City Council voted four (4) for, and none (0) opposed.

# of order applied	Organization		City 2021 request
1	Gillespie County Fair & Festivals Association, Inc		65,000
2	Chamber-Christmas Parade		12,000
3	Optimist-Hill Country Run		7,500
4	Frederickburg Food and Wine Fest		10,000
5	Oktoberfest		10,000
6	Friends of Gillespie County Country School		16,311
7	Jaycees-Crawfish Festival		25,000
8	Farmers Market		4,000
9	Admiral Nimitz		130,000
10	Der Stadtische Friedhof		5,000
11	Fredericksburg Theater Co		40,000
12	Fredericksburg Music Club, Inc.		2,000
13	Fort Martin Scott Friends		2,071
14	Die Kunstler von Fredericksburg		4,200
15	Hill Country Film Society		8,000
16	GC Historical Society		90,500
20	Stonewall Chamber of Commerce		5,000
21	Fredericksburg Art Guild		5,080
22	Frederickburg Rotary Club Foundation Inc.- Craft Beer Festival		5,000
23	Heritage School-Eisbahn		10,000
TOTAL			456,662

18	Former Tx Ranger-Celebrate Tx		20,000
19	Former Tx Ranger-History		20,000
TOTAL			40,000

24	Gillespie County Children's Foundation		13,000
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17	GC Historical Society-Public Restrooms provider		3,795
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CITY COUNCIL MEMO

DATE: April 23, 2021

TO: Mayor and City Council

FROM: Jennifer Krupa, Special Events Coordinator

SUBJECT: Insurance and approval for Fourth of July Parade

Summary:

This item is a request from the organizer of the annual Fourth of July Parade & Patriotic Program to add the Fredericksburg, Texas Fourth of July Parade to the City's insurance policy so that volunteers involved with the parade will be covered for any liability claims. In addition, staff is asking for City Council approval to host the parade as currently there is no fee schedule associated with hosting a parade within City limits.

Recommendation:

City council should consider adoption of a motion to host the parade and add the Fredericksburg, Texas Fourth of July Parade to the City's insurance policy.

Background / Analysis:

The insurance request has been approved the past several years at a total cost to the City of about \$200. A health & safety plan is still required and must be approved by the Special Events Committee before a special event permit for the event will be issued.

Attachments:

E-mail request from Daryl Whitworth

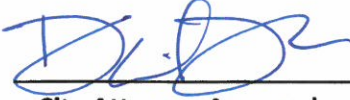
The City of Fredericksburg



Department Approval



City Manager Approval



City Attorney Approval

The City of Fredericksburg

From: [Daryl Whitworth](#)
To: [Jennifer Krupa](#)
Subject: Fourth of July parade insurance
Date: Thursday, April 22, 2021 3:42:57 PM

Good afternoon Jennifer

Based upon the improving Covid situation, I am planning to move forward on holding a Fourth of July parade this year. As such, I would like to receive liability insurance through the city of Fredericksburg as I have done in the past. Can you please put me on the agenda for the May 3 city Council meeting so that I might be there to request this from the council?

Thank you and please let me know if you have any questions or need any additional information from me

Daryl Whitworth
Sent from my iPhone on the go



CITY COUNCIL MEMO

DATE: May 3, 2021

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Resolution Approving an Investment Policy and Strategy for the Investment of City Funds

Summary:

The Public Funds Investment Act requires that the City's investment policy be reviewed and approved by City Council on an annual basis.

Recommendation:

It is recommended that City Council review and approve the Investment Policy.

Background / Analysis:

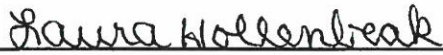
A City must adopt a written investment policy by ordinance or resolution. Texas Government Code 2256.005(a). Therefore, regardless of a city's population, it must have a written investment policy if it has any cash or bank investments. A formal policy protects not only the cash assets of the city, but also the elected and finance management officials.

The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. Texas Government Code 2256.005(e).

Attachments:

The City of Fredericksburg

Resolution
Investment Policy



Department Approval



City Attorney Approval



City Manager Approval

The City of Fredericksburg

RESOLUTION 2021-05R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, RELATED TO THE ANNUAL REVIEW OF THE CITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES.

WHEREAS, Section 2256.005(e) of the Texas Government Code requires the governing body of an investing entity to review its investment policy and investment strategies not less than annually; and

WHEREAS, Section 2256.005(e) of the Texas Government Code further requires the governing body to adopt a written instrument by rule, order, ordinance, or resolution, stating that the governing body has reviewed the investment policy and investment strategies.

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

Section 1. That the City Council hereby reviews, approves, and adopts the City of Fredericksburg Investment Policy, including the investment strategies contained therein, in the form attached hereto as Exhibit "A".

PASSED AND APPROVED this _____ day of _____, 20_____.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney



CITY OF FREDERICKSBURG

Investment Policy

The Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, prescribes that each City is to adopt rules governing its investment practices and to define the authority of the investment officer. The following Investment Policy addresses the methods, procedures, and practices, which must be exercised to ensure effective and judicious fiscal management of the City's funds.

The Director of Finance and City Accountant are designated as the investment officers of the City of Fredericksburg, Texas, and are responsible for all investment decisions and activities.

I. Scope

This Policy applies to all investment activities of the City's funds under its control, except those subject to other investment covenants, or excluded by contract. The Investment Policy will govern the activities of the investment officers and designated deputies in their management of all public funds covered by this Investment Policy.

In order to make effective use of the City's resources, all funds shall be pooled for investment purposes, except for those funds required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, contracts or City policy. The pooled funds will include, but are not limited to, the funds of the General Fund, Electric, Water & Wastewater, Golf, Landfill, Emergency Medical Services and Drainage Funds. Any investments donated to the City for a particular purpose or under terms of use specified by the donor are outside the scope of this Investment Policy.

This Policy also requires the formal adoption of an Investment Strategy that specifically addresses each of the City's fund groups. (See Attachment A)

II. Objectives

The primary objectives, in order of priority, of the City investment activities shall be:

- A. Safety – Investments shall be undertaken in a manner that seeks to ensure the preservation of principal.
- B. Liquidity – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

- C. Yield – The City’s investment strategy is conservative. Given this strategy, the benchmark used by the Director of Finance to determine whether market yields are being achieved shall be the 90-day T-bill rate. Return on investment is of least importance compared to the safety and liquidity objectives.

Each investment transaction shall seek to first ensure that principal losses are avoided, whether they are from security defaults or erosion of market value.

III. Delegation Of Authority

The Investment Officers may designate deputies to assist with the management of the investment portfolio.

The Investment Officers or designated deputy shall be responsible for all transactions, compliance with internal controls, and insuring that all safekeeping, custodial, and collateral duties are in compliance with this investment policy and other applicable laws and regulations.

IV. Standard Of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. This investment principle shall be applied in the context of managing the overall investment portfolio.

The Investment Officers or designated deputy acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for an individual security’s credit risk or market price changes, provided that deviations from expectations are reported in a timely manner to the City Manager, and appropriate action is taken to control adverse developments.

V. Ethics And Conflicts Of Interest

The Investment Officers and designated deputies shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. An individual who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement with the Texas Ethics Commission and the City Council disclosing that personal business interest. A disclosure statement will also be filed if the Investment Officers or any designated deputy is related within the second degree by affinity of consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the City.

For the purpose of this section, an individual has a personal business relationship with a business organization if:

- A. The individual owns 10 percent or more of the voting stock or shares of the business organization, or owns \$5,000 or more of the fair market value of the business organizations;

- B. Funds received by the individual from the business organization exceed 10 percent of the individual's gross income for the previous year; or
- C. The individual has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the individual.

VI. Accounting/Reporting

The Director of Finance shall, not less than quarterly, prepare and submit to the City Council a written report of investment transactions for all funds covered by this investment policy for the preceding reporting period. The report should:

- A. Describe the investment position of the entity on the date of the report;
- B. Be prepared and signed by the Director of Finance and City Manager;
- C. Contain a summary statement prepared in compliance with generally accepted accounting principles that states the beginning market values, additions and changes to the market value, ending market value and fully accrued interest for the reporting period;
- D. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
- E. State the maturity date of each separately invested asset that has a maturity date;
- F. State the compliance of the investment portfolio as it relates to the City's Investment Policy, the City's Investment Strategy and the Public Funds Investment Act; and
- G. The reports should be formally reviewed at least annually by an independent auditor. The method used to monitor the market price of acquired investments is to obtain market rates for the total portfolio from at least two independent brokers or from a recognized entity that provides a similar service.

VII. Internal Controls

The management of the City of Fredericksburg, Texas, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objective of an internal control structure is to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the

effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this policy, we have identified procedural controls for the purchase of investments (See Attachment B). Significant internal control structure policies and procedures are beyond the scope of this policy. The Director of Finance shall comply with the City's Internal Control Policies and Procedures at all times.

VIII. Diversification

The City will diversify use of investment types and issuers to avoid incurring unreasonable risks inherent in over-investment in specific instruments, individual issuers or maturities.

The investment portfolio shall not exceed the following guidelines without prior approval of the City Manager:

- A. With the exception of U.S. Treasury securities, Certificates of Deposits, and authorized pools, no more than 50% of the total investment portfolio will be invested in a single investment type. U.S. Treasury securities have no percentage restriction. Certificates of Deposit and authorized pools individually may be no more than 75% of the total investment portfolio.
- B. Investment in any one single U.S. Agency Issue shall not exceed 30% of the total investment portfolio.
- C. Commercial Paper shall not exceed more than 5% of the total investment portfolio.
- D. With the exception of U.S. Treasury securities and Certificates of Deposits, no more than 40% of the total investment portfolio shall be invested with a single issuer. U.S. Treasury securities have no percentage restriction. Certificates of Deposit invested with a single issuer may not exceed 50% of the total portfolio.
- E. Investment with maturities of three years shall be limited to a maximum of 20% of the total portfolio.
- F. The minimum maturity on any individual investment shall be one day (overnight). Maturities will be scheduled to meet liquidity and operating requirements.
- G. The maximum maturity for each investment and the total portfolio will be timed to maturity to meet cash flow needs established by the cash flow analysis. The maximum maturity of any individual investment shall not exceed three (3) years.
- H. The maximum dollar-weighted average maturity of the total investment portfolio is 270 days.

Maturity schedules shall be timed according to anticipated liquidity needs. Investments, from time to time, may be liquidated before maturity for cash-flow purposes. To meet these disbursement schedules, market gains or losses may be required. Any losses for early maturity liquidation should be minimized, and they should be reported as such to the City Manager in a timely manner. Actual risk of default shall be minimized by adequate collateralization. Market risk shall be minimized by diversification of investment type and maturity.

The Director of Finance shall routinely monitor the contents of the investment portfolio, the available markets and the relative values of competing instruments, and will adjust the investment portfolio accordingly, keeping in mind the overall objectives of the investments.

IX. Cash Flow Analysis

The Director of Finance will develop and maintain a comprehensive cash flow analysis for all of the City's fund types. The purposes will be to determine liquidity needs and the available funds for investing. The summarized cash flow analysis reports will be provided to the City Council and the City Manager on a quarterly basis.

X. Authorized Investments

The following is a list of authorized investments:

- A. Obligations issued, guaranteed, insured by, or backed by the full faith and credit of the United States or its agencies and instrumentalities (i.e. U.S. Treasury and Agency Issues).
- B. Certificates of Deposit, which are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and are secured by obligations of the United States or its agencies and instrumentalities that have a market value of not less than the principal amount of the certificates.
- C. Fully collateralized repurchase agreements that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities. The securities purchased by the City must be pledged to the City, held in the City's name and deposited at the time the investment is made with the City's custodial bank. Repurchase agreements can only be placed through primary government securities dealers or financial institutions doing business in Texas. The maximum term for repurchase agreements is ninety (90) days from the date the reverse security repurchase agreement is delivered and securities held as collateral must not mature later than the agreement's expiration date.
- D. Commercial paper with a stated maturity of 270 days or less from the date of issuance. Must be rated not less than A-1 or P-1, or an equivalent, by at least two nationally recognized credit rating agencies or rated by one credit rating agency plus fully secured by an irrevocable letter of credit issued by a domestic bank.
- E. Investment pools that are authorized by Council, invest only in investments approved by the Public Funds Investment Act, have an advisory board and are continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating agency. Investment pools must provide an offering circular, investment transaction confirmations, and monthly reports.
- F. S.E.C. registered no-load money market mutual funds that have a dollar-weighted average stated maturity of ninety (90) days or less and include in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

An investment that requires a minimum rating under this policy does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Director of Finance will take all prudent measures that are consistent with this policy to liquidate an investment that does not have the minimum rating; however, the Director of Finance will not be required to liquidate investments that were authorized investments at the time of purchase.

The Director of Finance is specifically prohibited from investing in:

- A. Structured notes, investments with inverse-floaters, collateralized mortgage obligations, or any other form of derivatives;
- B. Any investment not authorized by this Policy or the Public Funds Investment Act;
- C. Any instrument for which there would not be a ready market for immediate resale;
- D. Any investment pool in which the City would own more than 20% of the market value of the pool;
- E. Highly sophisticated investments not freely conducted in the marketplace e.g., derivatives; and
- F. Any one mutual fund in which the City would own more than 10% of the total assets of the mutual fund.

The Director of Finance is also specifically prohibited from borrowing funds for the purpose of reinvesting the funds to leverage return.

XI. Eligible Institutions

The following financial institutions are eligible for consideration for investment transactions by the Director of Finance:

- A. State or national banks domiciled in the State of Texas.
- B. Savings banks domiciled in the State of Texas.
- C. State or federal credit unions domiciled in the State of Texas.
- D. Brokers approved and designated as primary dealers by the Federal Reserve Bank of New York.
- E. Secondary or regional brokers who meet the following requirements:
 - 1. National Association of Security Dealers certified;
 - 2. Carry Texas State Registration;
 - 3. Have net capital of \$1 million or more for Delivery Versus Payment investment transactions or net capital of \$50 million or more for Repurchase Agreement

- transactions; and
- 4. Have at least five (5) years of operation.

F. Local government investment pools, i.e. Texpool, TexSTAR, etc.

G. S.E.C. registered money market mutual funds.

Due to possible conflicts of interest, we feel that it is in the best interest of the City for the City's depository to be ineligible for quote-qualified investment transactions. Other routine investment transactions, not covered in the scope of this policy such as sweep accounts, certificates of deposit, and float interest earnings, would be allowed with the City's depository.

A written copy of the City's investment policy shall be presented to any financial institution offering to engage in an investment transaction with the City. The qualified representative of the financial institution offering to engage in an investment transaction with the City shall execute an Investment Policy Certification substantially to the effect that the financial institution has:

- A. Received and reviewed the City's investment policy; and
- B. Acknowledged that the financial institution has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the institution that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

A list of individual qualified institutions authorized to engage in investment transactions with the City shall, at least annually, be reviewed, revised, and adopted by the City Council. (See Attachment C)

All broker/dealers will have on file, with the City, Trading Authorization Agreements.

XII. Security Purchases/Trades

The City will purchase securities on an "as needed" basis only. The City will determine investment requirements based on cash flow analysis and current cash positions. The City will evaluate all bids given for determination of the securities best suited for the City's requirements.

Security selections and term will be determined in accordance with, (1) safety of principal, (2) cash flow needs, (3) investment-type as a percentage of total investment portfolio and (4) yield.

Brokers/dealers are not encouraged to contact the City on currently available securities that the broker/dealers believe are items of interest to the City.

All securities placed will be solicited from no less than three qualified institutions. The Director of Finance will obtain the quotes. All security purchases and trades conducted through the City will be settled with the City's third party custodial bank. The use of Delivery versus Payment (DVP) for investment transactions/purchases, except with investment pools and money market mutual funds, will be continually used by the Director of Finance at the City's third party custodian bank.

The Director of Finance, City Accountant, City Manager, and City Secretary are the only individuals authorized to wire funds for the City. Dual authorization shall be used for all non-repetitive wire transfers.

The City must approve any Substitution of securities on repurchase agreements. The City will only enter repurchase agreements under the terms of the Public Securities Agreement (PSA) – Master Repurchase Agreement format.

XIII. Collateralization Requirements

Consistent with the requirements of the Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, the City will require full collateralization of all deposits with depository institutions. In order to anticipate market changes and provide a level of security, the collateralization level will be 102% of market value of principal and accrued interest on the deposits less the amount insured by the Federal Deposit Insurance Corporation. Securities pledged as collateral shall be held in the City's name by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership must be supplied to the City for retention. The City must approve any release and/or substitution of collateral before such action is taken. Collateral shall be reviewed daily to assure that the market value of the securities pledged equals or exceeds the related deposit.

Securities authorized by the Public Funds Collateral Act are acceptable for collateralization purposes.

Private insurance coverage is not an acceptable collateralization form.

XIV. Investment Training

The Director of Finance and designated deputies shall attend:

- A. At least one training session relating to the Director of Finance or designated deputies' responsibilities within 12 months after taking office or assuming duties.
- B. Investment training sessions not less than once in a two year period and receive not less than ten
(10) ten hours of instruction relating to investment responsibilities.

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Public Funds Investment Act.

All training shall be from an independent source on the list of approved training seminar sponsors. (See Attachment D)

XV. Conclusion

The Director of Finance and designated deputies will adhere to the investment policy in all investment decisions of the City. The Director of Finance will provide quarterly written reports to the City Manager and City Council on the investment activity of the City's investment portfolio.

All current investment activity, which does not comply with the above stated policy, will be allowed to mature, and all future investment activity will be negotiated under the terms of the stated policy.

In conjunction with the annual financial audit, a compliance audit will be performed on management controls and adherence to this policy.

An annual review of the Investment Policy and Strategy will be conducted by the Director of Finance. The Investment Policy and Strategy, with any changes, will then be presented for the City Council to review. Formal adoption of the Investment Policy and Strategy will be documented in the minutes of the City Council meeting and the adopting ordinance.

INVESTMENT STRATEGY –

Attachment A

The investment strategy of the City of Fredericksburg, Texas, is adopted to provide investment guidelines that will minimize the risk of loss. In order to make effective use of the City's resources, all monies shall be pooled into one fund, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, contracts or City policy. Investment priorities (in order of importance) are as follows:

- A. Suitability – Any investment allowed by the Investment Policy is suitable. Maturity schedules shall be timed according to anticipated needs.
- B. Safety of Principal – All investments should be of high quality with no perceived default risk.
- C. Liquidity – Local government investment pools and mutual funds shall provide daily liquidity. Fixed maturity investments shall provide liquidity as required by anticipated needs.
- D. Marketability – Investments should have an active and efficient secondary market to enable the City to liquidate investments prior to the maturity for unanticipated cash requirements.
- E. Diversification – The City will diversify use of security types, issuers and maturities. With the exception of U.S. Treasury securities, Certificates of Deposits, and authorized pools, no more than 50% of the total investment portfolio shall be invested in a single security type. U.S. Treasury securities have no percentage restriction. Certificates of Deposit and authorized pools individually may be no more than 75% of the total investment portfolio. With the exception of U.S. Treasury securities and Certificates of Deposits, no more than 40% of the total investment portfolio shall be invested with a single issuer. U.S. Treasury securities have no percentage restriction. Certificates of Deposit invested with a single issuer may not exceed 50% of the total portfolio. Maturity schedules shall be timed according to anticipated liquidity needs. The maximum dollar-weight average maturity is 270 days.
- F. Yield – The City's investment strategy is conservative. The benchmark used by the Director of Finance to determine whether market yields are being achieved shall be the 90-day T-bill rate.

INVESTMENT PURCHASING PROCEDURAL CONTROLS –

Attachment B

- A. Director of Finance analyzes cash flow and determines specific cash flow needs of the City before any current securities mature or any new money is invested.
- B. Director of Finance agrees to type of security (as allowed or as authorized by law, contract, or investment policy), denominations, and duration.
- C. Director of Finance
 - Obtains three (3) net quotes for securities from authorized brokers listed on Attachment C;
 - Prepares quote listing with relevant information from the offerers;
 - Contacts selected offerer with instructions to buy.
- D. Broker faxes or calls Director of Finance with details of the purchase (disc, etc.).
- E. Director of Finance contacts safekeeping with details, and faxes copy of CUSIP to safekeeping for security verification.
- F. Safekeeping compares CUSIP to delivered securities to initiate payment. The purchase of individual securities shall be executed “delivery versus payment” (DVP) through the Federal Reserve System. By so doing, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased.
- G. A letter is prepared with Director of Finance signature stating all details of the purchase, and sent to the broker.
- H. The broker must verify the letter for understanding and correctness of securities purchased, sign it, and return it to the City of Fredericksburg.
- I. The investment portfolio and cash flow documents are updated to reflect security transactions. The City Accountant reconciles the investment portfolio with the general ledger daily. The reconciliation is reviewed and approved by the Director of Finance.
- J. Safekeeping receipts are received by a Finance employee who is independent from the initiating or approval of the purchase, and verified with the Daily Balance Report; if correct, the receipts are filed for documentation upon arrival.

LIST OF QUALIFIED INSTITUTIONS –

Attachment C

A list of institutions that are authorized to engage in investment transactions with the City shall, at least annually, be reviewed, revised, and adopted. The following institutions, listed by type, are authorized for use by the investment officer.

Brokers/Dealers:

First Southwest Company
Texas Independent Bank
Edward Jones
Cantella & Co., Inc.

Local government investment pools:

Texpool

Banking Institutions:

Security State Bank & Trust
Arrowhead Bank
Blanco National Bank
Broadway Bank

Guaranty Bank
American Bank of Texas
Chase Bank
HCSB

This list shall be revised when necessary throughout the year to account for additions and deletions.

TRAINING SEMINAR SPONSORS –

Attachment D

All investment training shall be from an independent source approved by the City Council. sponsors are hereby approved:

The following

A. Government Finance Officer's Association (GFOA);

B. Texas Society of Certified Public Accountants (TSCPA);

C. Texas Municipal League (TML);

D. Government Treasurer's Organization of Texas (GTOT);

E. Sponsors approved by the TSCPA and GFOA, GFOAT, GTOT, to provide CPE credits; or

F. Other sponsors approved on an individual basis by the Director of Finance.



CITY COUNCIL MEMO

DATE: May 3, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Z-2104 –Annexation Agreement.

Summary: The property owner has requested voluntary annexation and zoning for approximately 17 acres to develop an RV park. The property is located at 3255 S. SH-16, across the street from the City's Airport. The property is currently a heavily wooded, undeveloped tract of land.

City utilities (water & sewer) would need to be extended, at the applicant's expense, to service the property. These utility lines are located approximately 500-1,000 feet from the subject tract and this agreement outlines the applicant's responsibility for connecting to City infrastructure. All other City services would be available to the property once the annexation process is completed.

Background / Analysis:

This property is in the ETJ and the annexation of the area provides the City with the ability to help regulate development of the area and provide for additional opportunities for other tracts to request annexation and zoning.

The owner will be seeking a zoning category of C-2 to allow for the development of the proposed RV site. Before the zoning may be approved, the Future Land Use plan will need to be amended, as the plan calls out this area as "Employment Center". The Land Use plan will need to be modified to "Commercial" to meet the proposed zoning requested. These requests will be considered for a recommendation, by P&Z, on May 5, 2021 and will be up for Council consideration on May 17th & June 7th.

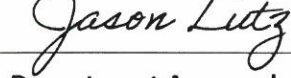
The City of Fredericksburg

Recommendation:

Staff recommends Approval of the requested Annexation Agreement.

Attachments:

Draft annexation agreement, exhibits, and service plan.



Department Approval



City Attorney Approval



City Manager Approval

ANNEXATION AGREEMENT FOR THE HNS MOTORCOACH PARK TRACT

This Annexation Agreement ("Agreement") is made and entered into by and between the City of Fredericksburg, Texas ("City"), with an address of 126 W. Main Street, Fredericksburg, Texas, 78624, and HNS Motorcoach Park, LLC ("Owner"), with an address of P.O. Box 928, Fredericksburg, Texas, 78624.

RECITALS

WHEREAS, the Owner is the owner of record of approximately 17.461 acres tract of land out of the Thomas J. Stell Survey No. 44, Abstract No. 646, Gillespie County, Texas, and being the remaining portion of a called 23.4628 acre tract recorded in Volume 97, Page 529, Deed Records of Gillespie County, Texas, located at 3255 S. SH-16, and more particularly and separately described in the attached Exhibit "A"; and

WHEREAS, the City Council, after due and careful consideration, finds that the annexation of said 17.461 acres into the City will promote economic development and further the growth of the City, enable the City to control the development of the area, and serves the best interests of the City.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. The Parties acknowledge and agree that the 17.461 acre subject property is presently located outside the city limits of the City, but is located within the extra territorial jurisdiction of the City, and is commonly known as 3255 S. SH-16 (the "Annexation Tract"), and is more particularly described in Exhibit "A", a copy of which is attached hereto and made a part hereof. At a public City Council meeting, the City Council shall duly consider enacting an ordinance annexing the Annexation Tract, pursuant to a Petition for Annexation or other written request filed by the Owner.

2. Contemporaneously with the annexation of the Annexation Tract under Paragraph 1 of this Agreement, the City Council shall also duly consider enacting an ordinance amending the Zoning Ordinance of the City, to designate the zoning district of the Annexation Tract as set forth on the Zoning Map in Exhibit "B", a copy of which is attached hereto and made a part hereof. The zoning designation of the Annexation Tract shall be carried out in accordance with the provisions and proceedings of the City of Fredericksburg Zoning Ordinance and City of Fredericksburg Comprehensive Plan. Any subsequent zoning amendments related to the Annexation Tract and requested by the owner shall be subject to the rules, regulations, and procedures set forth in the City of Fredericksburg Zoning Ordinance, and the same must be in conformity with the Comprehensive Plan for the City

in effect at the time of the request.

3. City Service Plan.

(a). The Parties acknowledge and agree that the Owner's proposed plans for the Annexation Tract will require an improvement to the City's water and sewer system to properly provide City sanitary sewer and water service to the Annexation Tract. The Owner agrees to design and construct, at Owner's sole expense, an extension of the City's water line, from its current terminus on S. SH-16 near the City limits, to be extended to the Annexation Tract. The Owner agrees to design and construct, at Owner's sole expense, an extension of the City's sanitary sewer line, from its current terminus near the intersection of S. SH-16 at Boos Lane, to be extended to the Annexation Tract. The Owner shall acquire, at Owner's sole expense, all utility easements necessary to construct the extension of the City water line and City sanitary sewer line under this Paragraph. The extension of the City water line and sanitary sewer line set forth in this Paragraph shall be constructed in conformance with all City ordinances and the Minimum Standards for street and utility design and the materials and specifications on file with the City Engineer. The Owner agrees to design and construct, at Owner's sole expense, all remaining external and internal lines and taps to connect the Annexation Tract to City's water and sewer system, constructed in conformance with all City ordinances and the Minimum Standards for street and utility design and the materials and specifications on file with the City Engineer. The Parties acknowledge and agree that the City will not construct or assume maintenance for any lift pumps, sewer pumps, pressure boosters, or any other similar item needed for adequate water or sewer service to the Annexation Tract. The Owner shall be responsible for payment of all impact fees, tap fees, and other related utility fees, as assessed by the City pursuant to the City's Code of Ordinances for water and wastewater utility service connections. It is hereby understood and agreed by the Parties that permanent connection of the Annexation Tract to City water and wastewater utility services is contingent upon annexation of the Annexation Tract under Paragraph 1 of this Agreement, and the City may discontinue water and wastewater utility services to the Annexation Tract if the Annexation Tract is not annexed.

(b). Upon completion of the annexation proceedings under Paragraph 1 of this Agreement, all other City services shall be provided to the Owner as set forth in the agreed service plan in Exhibit "C", a copy of which is attached hereto and made a part hereof. In the event of any inconsistency or conflict between the provisions of this Agreement and those of the agreed service plan in Exhibit "C", this Agreement shall prevail.

4. The effective date of this Agreement shall be the date of execution by both Parties.

5. It is understood and agreed by the Parties hereto that time is of the essence of this Agreement, and that all the parties will make every reasonable effort to expedite the

subject matters hereof.

6. The Parties mutually represent that they have taken and will take action as may be required to bring about the annexation of Annexation Tract and the necessary or proper processes in order to zone and classify the Annexation Tract so as to enable the same to be developed and used in the manner anticipated in this Agreement, and such other action as to enable the parties to execute this Agreement and to fully carry out all other covenants, agreements, duties and other obligations created and imposed by the terms and conditions of this Agreement.

7. This Agreement shall be binding upon the parties to it, their respective grantees, successors, assigns or lessees, subject to limitations provided by law.

8. The Parties agree that this Agreement and any exhibits attached to it may be amended only by the mutual written consent of all parties.

9. THE OWNER AGREES TO FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES, FROM ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER, WHETHER REAL OR ASSERTED, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF THE IMPROVEMENTS OR FACILITIES DESCRIBED HEREIN; AND IN ADDITION, THE OWNER COVENANTS TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, SUITS OR CAUSE OF ACTION OF ANY NATURE WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM ANY FAILURE TO PROPERLY SAFEGUARD THE WORK, OR ON ACCOUNT OF ANY ACT, INTENTIONAL OR OTHERWISE, NEGLIGENCE OR MISCONDUCT OF THE OWNER, ITS CONTRACTORS, AGENTS, SERVANTS OR EMPLOYEES.

10. Approval by the City of any plans, designs, or specifications submitted by the Owner pursuant to this Agreement shall not constitute or be deemed to be release of the responsibility and liability of the Owner or its engineers, employees, officers or agents for the accuracy and competency of their design and specifications. The Parties acknowledge and agree that the approval of any plans, designs, or specifications by the City signifies the City's approval on only the general design concept of the improvements to be constructed as the same relates to conformance with City ordinances.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative.

HNS Motorcoach Park, LLC ("OWNER")

By: _____ Date: _____

Printed Name: _____

THE STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____,
20_____, by _____, Owner.

Notary Public, State of Texas

CITY OF FREDERICKSBURG, TEXAS ("City")

By: _____ Date: _____
Kent Myers, City Manager

THE STATE OF TEXAS
COUNTY OF GILLESPIE

This instrument was acknowledged before me on the _____ day of _____,
20_____, by Kent Myers, City Manager of the City of Fredericksburg.

Notary Public, State of Texas

EXHIBIT " A "
MDS

LAND SURVEYING COMPANY, INC.
BOUNDARY & TOPOGRAPHIC CONSTRUCTION
8 SPENCER ROAD, BOERNE, TEXAS 78006
PHONE: 830-816-1818 EMAIL: MDSINC@GVTC.COM

FIELD NOTES FOR A 17.461 ACRE TRACT OF LAND

BEING A 17.461 ACRE TRACT OF LAND OUT OF THE THOMAS J. STELL SURVEY NO. 44, ABSTRACT NO. 646, GILLESPIE COUNTY, TEXAS, AND BEING THE REMAINING PORTION OF A CALLED 23.4628 ACRE TRACT RECORDED IN VOLUME 97, PAGE 529, DEED RECORDS OF GILLESPIE COUNTY, TEXAS. SAID 17.461 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found in the southeast right-of-way line of State Highway No. 16, the northwest boundary line of the called 23.4628 acre tract, at the southwest corner of the herein described tract, said point being the north corner of a called 3.062 acre tract recorded in Volume 456, Page 68, Official Public Records of Gillespie County, Texas;

- (1) Thence, N 27° 57' 40" E, with the southeast right-of-way line of State Highway No. 16, the northwest boundary line of the called 23.4628 acre tract, the northwest boundary line of the herein described tract, a distance of 1077.84' (N 29° E, 1077.08', record) to a ½" iron rod with "MDS" cap set for northwest corner at the northwest corner of the called 23.4628 acre tract, the southwest corner of Tract 3, Elmon Priess Subdivision, recorded in Volume 1, Page 195, Plat Records of Gillespie County, Texas;
- (2) Thence, departing the southeast right-of-way line of State Highway No. 16, with the south boundary line of Tract 3, Elmon Priess Subdivision, the north boundary line of the called 23.4628 acre tract, the north boundary line of the herein described tract, the following courses and distances:
 - a. S 62° 14' 44" E, 92.31' (S 61° E, 90.42', record) to a ½" iron rod with "MDS" cap set for angle;
 - b. N 89° 00' 16" E, 202.60' (East, 202.22', record) to a ½" iron rod with "MDS" cap set for northeast corner at the northwest corner of a called 3.05 acre tract recorded in Document No. 20075160, Official Public Records of Gillespie County, Texas;
- (3) Thence, S 00° 33' 44" E, departing the south boundary line of Tract 3, Elmon Priess Subdivision, the north boundary line of the called 23.4628 acre tract, with the west boundary line of the called 3.05 acre tract, the east boundary line of the herein described tract, a distance of 1329.00' (S 00° 08' W, 1328.95', record) to a ½" iron rod with "MDS" cap set for southeast corner in the south boundary line of the called 23.4628 acre tract, the north boundary line of the remaining portion of Tract 11R, Oak Wood Forest Subdivision, recorded in Volume 2, Page 39, Plat Records of Gillespie County, Texas;

- (4) Thence, S 88° 56' 51" W, with the north boundary line of the remaining portion of Tract 11R, Oak Wood Forest Subdivision, the south boundary line of the called 23.4628 acre tract, the south boundary line of the herein described tract, a distance of 413.91' (West, 411.30', record) to a ½" iron rod found for angle at the east corner of the called 3.062 acre tract;
- (5) Thence, N 42° 31' 22" W, with the northeast boundary line of the called 3.062 acre tract, the southwest boundary line of the herein described tract, a distance of 575.28' (N 42° 31' 28" W, 574.61', record) to the Place of Beginning and containing 17.461 acres of land.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk
Gillespie County, Texas



March 13, 2017 11:56:31 AM

FEE: \$40.00 CCHESSEMAN 20171139
WD

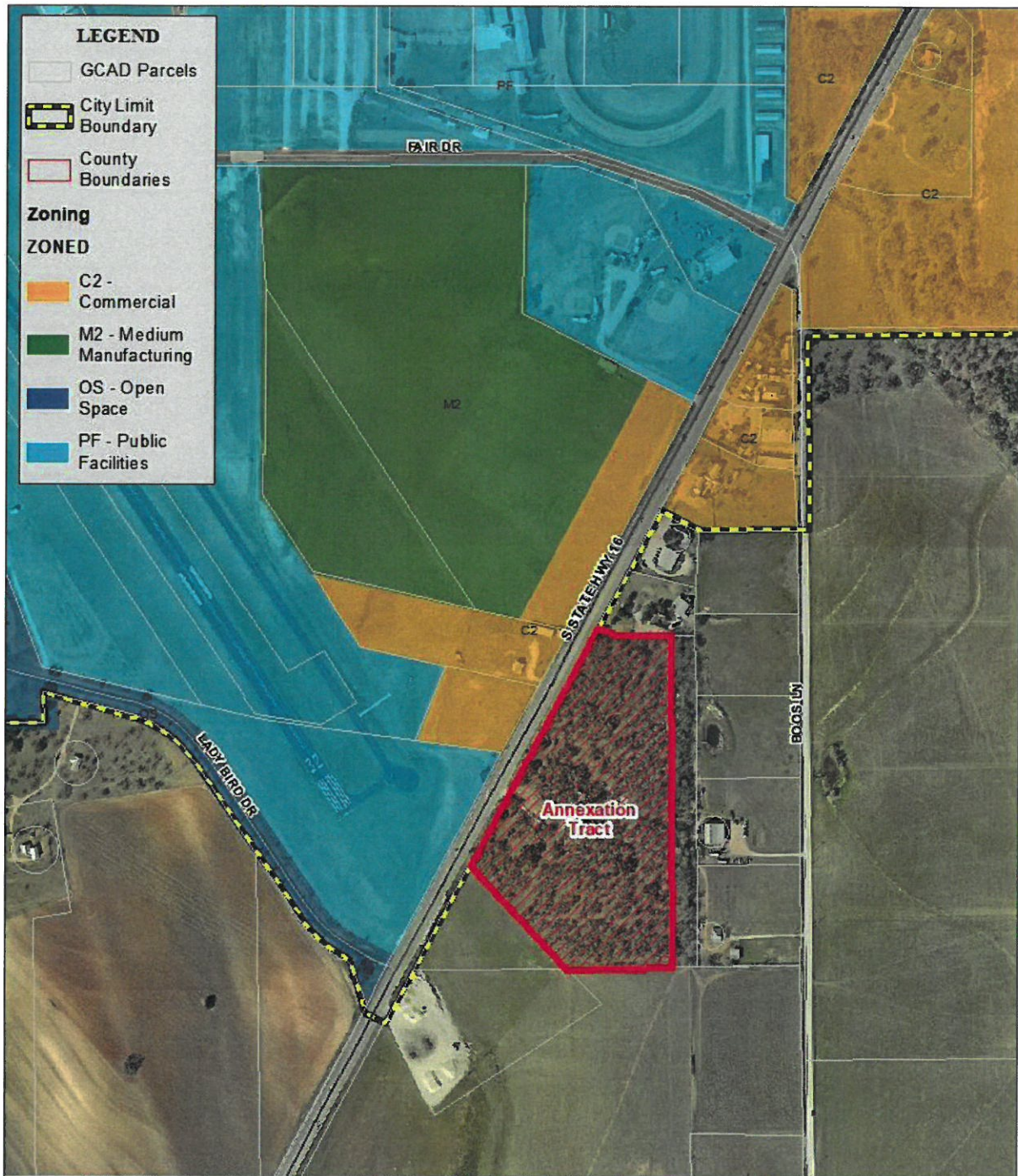


Exhibit B Annexation Tract



EXHIBIT "C"

City of Fredericksburg Agreed Annexation Service Plan For Annexation

I. TERRITORY

This service plan is applicable to approximately 17.461 acres tract of land out of the Thomas J. Stell Survey No. 44, Abstract No. 646, Gillespie County, Texas (the "Annexation Parcel").

II. GENERAL PROVISIONS

a. Effective Term. This service plan shall be in effect for a ten-year period commencing on the effective date of the annexation.

b. Amendment or Renewal. This service plan may be amended from time to time as provided by Local Government Code. Renewal of this service plan shall be at the sole option of the Fredericksburg City Council.

c. Level of Services to be Provided. The City Council finds and determines that the level of services, infrastructure and infrastructure maintenance provided within the area prior to annexation is not greater than is provided in the City. The City Council finds and determines that the services, infrastructure and infrastructure maintenance proposed by this plan are comparable to that provided to other parts of the City with reasonably similar topography, land use, and population density. The City Council finds and determines that implementation of this plan in the manner proposed will not reduce the level of fire, police, and emergency medical services available within the City.

III. SERVICES TO BE PROVIDED AT ANNEXATION

The following services will be provided within the annexed area immediately upon the effective date of the annexation. In the case of a gated subdivision, it will be the responsibility of the Property Owners Association (POA) of the gated subdivision to allow timely emergency service access and City staff access, particularly in cases where the access mechanism changes on or after annexation.

a. Police Protection. The City of Fredericksburg Police Department will provide police services, including criminal investigations, routine patrol, traffic

enforcement, and dispatched response to both emergency and non-emergency service calls. It is anticipated that police services within the annexed area will be provided utilizing existing levels of personnel and equipment. Currently, the nearest police station is the City of Fredericksburg Police Department headquarters, located at 1601 E. Main Street.

b. Fire Protection and Emergency Medical Services. The City of Fredericksburg Fire Department will provide emergency fire suppression and routine fire prevention services within the annexed area. The City of Fredericksburg Emergency Medical Services (EMS) Department will provide primary EMS services within the annexed area. Firefighters may be dispatched to the scene of accidents or other medical emergencies to assist EMS personnel or to provide “first responder” services pending the arrival of EMS personnel.

c. Solid Waste Collection. The City provides fee based household garbage collection services to single family residences within the City. The City provides a single drop off location for recycling collection within the City. The City does not collect garbage from commercial establishments. Commercial garbage collection and disposal and/or recycling and is available from privately owned collection businesses.

The City currently provides residential garbage collection at the street curb using an automated collection system that requires use of specific collection containers. In accordance with the City’s current policy, each residential garbage customer will be provided a collection container for waste disposal. The City does not currently provide recycling collection at the street curb.

Privately owned solid waste management service providers currently provide collection services within the annexed area and may continue to provide such services. Pursuant to Local Government Code, at any time before the second anniversary of the date an area is included within the corporate boundaries of a the City by annexation, the City may not (1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or (2) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable. The City will commence residential collections services prior to the second anniversary of annexation if requested to do so in writing by any property owner. Any such request must be made at least 90 days prior to the proposed effective date for initiation of City service.

d. Maintenance of Water and Wastewater Facilities. The annexation territory is not currently within the service area of the City of Fredericksburg. The City does not maintain privately owned water wells or septic or aerobic wastewater systems. Property owners who currently have water wells, septic or aerobic wastewater systems may keep them as long as they are maintained in proper working order. When City wastewater disposal facilities are available to serve existing development the City may require connection to the City system instead

of permitting the installation of new septic or aerobic disposal systems. Mandatory connection to the City wastewater system will not be required where existing systems remain in good working order and do not present a threat to public health or safety.

e. Maintenance of Roads, Streets, Street Lighting, and Drainage Infrastructure. The City is currently responsible for the maintenance of public roads, streets, street lighting, and drainage infrastructure in the annexed area.

f. Maintenance of Parks, Playgrounds and Swimming Pools. There are no public parks, public playgrounds, or public swimming pools within the area to be annexed.

g. Maintenance of any other Public Building, Facility or Service. Annexation does not transfer ownership of public buildings, facilities or services, all of which should continue to be maintained or provided by the public entity that currently owns or provides them. Privately owned facilities, including privately owned and operated storm water detention facilities, are not affected by the annexation.

An appropriate City Department will be assigned to assume responsibility for the maintenance or provision of any required facilities or services which become the responsibility of the City and are not expressly provided for by this service plan.

IV. CAPITAL IMPROVEMENTS PLAN

Construction of the following capital improvements related to the annexation will be substantially completed within 2½ years, except for certain services that the City cannot reasonably provide within that period, and for which the City proposes a schedule set forth below to provide for the provision of full municipal services no later than 4-1/2 years after the effective date of the annexation.

a. Police Protection. No additional capital improvements are needed at this time to provide police services.

b. Fire Protection. No capital improvements are needed at this time to provide fire protection services.

c. Solid Waste Collection. No capital improvements are needed at this time to provide solid waste collection services.

d. Water and Wastewater Facilities. No additional capital improvements by City will be made at this time to provide full water and wastewater services to the annexed area. The Owner agrees to design and construct, at Owner's sole expense, an extension of the City's water line and wastewater lines to serve the annexed area.

e. Roads, Streets, Street Lighting, and Drainage Infrastructure. No new roads, streets, street lights, or drainage infrastructure is needed at this time.

f. Parks, Playgrounds and Swimming Pools. No capital improvements are needed at this time to provide recreational services.

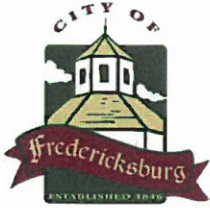
g. Other Public Buildings, Facilities or Services. No capital improvements are needed at this time to provide other public services.

V. WATER AND WASTEWATER SERVICE EXTENSION POLICIES

The City provides fee based water and wastewater services to the portions of the City which are not within the service area of another water or wastewater utility provider. For lots that have water or wastewater lines in an abutting street or easement, the owner may receive water or wastewater service by applying for a City tap and paying any required fees.

The provision of water and wastewater facilities for new development within the City is primarily governed by the City's building code and subdivision ordinances that are found in Chapters 14 and 94 of the City Code of Ordinances.

Facilities necessary to serve any new development are generally provided at the sole cost of the developer. Such facilities include not only those which are located within the developer's property, but also any exterior mains which must be extended to connect the property under development to the point of connection with the City's existing facilities. The City need not compensate the developer for the ordinary costs of extending exterior mains.



CITY COUNCIL MEMO

DATE: May 3, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Staff Report regarding Sec. 8.100.-Temporary Use Types (Temporary Structures)

Summary:

Staff is seeking guidance from Council regarding allowing temporary structures (tents) in the Historic Overlay District.

The current code, amended in 2015, states "No temporary type structures shall be placed in the Historic Overlay District (HO). Temporary structures shall include mobile trailer units, portable structures, sunshades of whatever material, tents, tarps, or umbrellas. EXCEPT: The use of umbrellas or similar detached (portable), nonstructural sun shading devices ("Cover") by a restaurant for that restaurant's outdoor eating and serving areas shall be permitted under the following circumstances:".

The code only allows this type of structure for restaurants and for "Public, religious, patriotic, or historic assemblies, displays or exhibits, including festivals, benefits, fund-raising events or similar uses which typically attract a mass audience shall require any use district other than residential. (Exception: religious assembly in residential districts) and shall not be subject to the provisions of Subsection M".

Recently a business owner approached the City to get approval for this type of structure and was denied since the business was an "Event Center" but did not qualify for the exemption for restaurants. The property owner was able to utilize the exemption for religious assembly since the event was a wedding. However, this exemption would not be allowed for similar event if the wedding were held at a church and the wedding reception were to be held at the facility.

Staff is seeking guidance regarding possible amendments to the code to allow these types of structures at other facilities in the HO district or if the current code and exemptions are adequate.

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Recommendation:

Provide staff direction to move forward with possible amendments to this ordinance or leave as it currently reads.

Background / Analysis:

N/A

Attachments:

N/A

Department Approval

Jason Lutz
City Attorney Approval



City Manager Approval



The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Future Agenda Items

City Council

May 17, 2021 Regular Meeting

City Council = Red

3rd and 17th Regular Meetings @ 6p.m.

Planning & Zoning = Green 5-5-2021 @ 5:30 p.m.

Historic Review Board = Purple 5-11-2021 @ 5:30 p.m.

Board of Adjustment = Blue 5-13-2021 @ 5:30 p.m.

City Events

Election Day – May 1, 2021

175th Anniversary Events Begin – May 7, 2021

Memorial Day Holiday – May 31, 2021

Sun	Mon	Tues	Wed	Thur	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Proclamation

1.

Consent

1. 5-3-2021 City Council Regular Meeting Minutes
2. 5-10-2021 City Council Special Meeting Minutes (Canvass)

Ordinances

1.

Resolutions

1.

Public Hearing

1. Request for a Conditional Use Permit- Kevin Spraggins (and approve)
2. Request for change the Future Land Use Plan -Kevin Spraggins (and approve)
3. Request for voluntary annexation-Kevin Spraggins (and approve)
4. Requestion for voluntary annexation and zoning change- Klaerner (and approve)

Approvals-Misc.

Presentations, Discussions and Updates:

Executive Session

June 7, 2021

Regular Meeting

City Council = Red

3rd and 17th Regular Meetings @ 6p.m.

Planning & Zoning = Green 5-5-2021 @ 5:30 p.m.

Historic Review Board = Purple 5-11-2021 @ 5:30 p.m.

Zoning Board of Adjustment = Blue 5-13-2021 @ 5:30 p.m.

Sun	Mon	Tues	Wed	Thur	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Proclamation

1.

Consent

3. 5-17-2021 City Council Regular Meeting Minutes

4. 5- -2021 City Council Workshop Minutes

Ordinances

1. Conditional Use Permit- Kevin Spraggins (possible 2nd reading)

2. Future Land Use Plan -Kevin Spraggins (possible 2nd reading)

3. Voluntary annexation-Kevin Spraggins (possible 2nd reading)

Resolutions

1.

Public Hearing

Approvals-Misc.

Presentations, Discussions and Updates:

1. Revisit City Council Meeting location

2. Water Supply and Conservation Update Presentation

Executive Session