CITY OF FREDERICKSBURG
CITY COUNCIL MEETING

<u>MONDAY, JUNE 6, 2016 ~ 6:00 p.m.</u>

Law Enforcement Center ~ 1601 East Main Street

Linda Langerhans, Mayor	Gary Neffendorf, Council Member
Graham Pearson, Council Member	Bobby Watson, Council Member
Charlie Kiehne, Council Member	Kent Myers, City Manager

(REQUEST ALL PAGERS AND PHONES BE TURNED OFF, EXCEPT EMERGENCY ON-CALL PERSONNEL)

AGENDA

CALL TO ORDER.

PLEDGE OF ALLEGIANCE.

		Page Ref
1.	**MINUTES** - Consider Approving Minutes of April 2016 Meetings	1-5
2.	**ORDINANCES - RESOLUTIONS- ACTION ITEMS**	
	A. Consider Resolution Approving Parks Master Plan	6-9
	B. Consider Rejecting Bid for the RV Park Lift Station	10-11
	C. Consider Approval of Atmos Rate Increase	12-20
3.	**INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION**	
	A. Consider Request from Market Square Redevelopment Commission to Place a Small Concrete Slab on the Square for the Oktoberfest "Kids Area"	21-31
	B. Consider Appointing Screening Committee for RFP's for Hotel/Conference Center	32-33
	C. Receive Report on the Status of the Golf Course	
4.	**CITY MANAGER'S REPORT**	
	A. City Council Retreat	
	B. Code Enforcement Activities	
	C. City Employee Recognitions	
5.	**ITEMS FOR FUTURE AGENDAS**	
6.	**PUBLIC COMMENTS** This time is for citizens to address the City Council on issues and items of concern not on this agenda. There will be no City Council action at this time.	
7.	**COUNCIL COMMENTS** - No discussion or action may take place	

8. **EXECUTIVE SESSION** - Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).

A. Executive Session - Consultation with Attorney Regarding Attorney Client Privilege Matters About Advise from Results of Litigation and With Regard to Advice on Competitive Electric Utility Matters

9. **ADJOURN**

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
APRIL 4, 2016
6:00 PM

On this the 4th day of April, 2016, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

	LINDA LANGERHANS - MAYOR
	JERRY LUCKENBACH - COUNCIL MEMBER
	GRAHAM PEARSON - COUNCIL MEMBER
	BOBBY WATSON - COUNCIL MEMBER
	GARY NEFFENDORF - COUNCIL MEMBER
ABSENT:	NONE
ALSO PRESENT:	KENT MYERS - CITY MANAGER
	SHELLEY BRITTON - CITY SECRETARY
	PAT McGOWAN - CITY ATTORNEY
	CLINTON BAILEY - D.P.W.U.
	BRIAN JORDAN – DIR OF DEVELOPMENT SERVICES
	LAURA HOLLENBEAK – DIR OF FINANCE
	RUSSELL IMMEL – IT MANAGER
	STEVE WETZ – POLICE CHIEF

The meeting was called to order at 6:00 PM., followed by the Pledge of Allegiance.

MINUTES – It was moved by council Member Watson, seconded by Council Member Luckenbach, to approve the minutes of the February 2016 meetings as presented. All voted in favor and the motion carried.

HISTORIC REVIEW BOARD ANNUAL REPORT – Sharon Joseph, Chair of the Historic Review Board, presented the 2016 Annual Report, summarizing the activities of the past year and a program for the next year. No action taken.

PRESENTATION FROM ARCHITECT ON ANIMAL SHELTER PROJECT – David Duman, Principal with Quorum Architects, presented final plans for the proposed new Animal Shelter on Holmig Lane. He reported that the project would go out to bid in approximately three weeks and then would be brought back to council in July for approval. No action taken.

PRESENTATION ON CITY WATER SUPPLY – This item will be rescheduled for a later date.

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT
This item will be rescheduled for a later date.

RFP PRESENTATION FOR CONFERENCE CENTER/HOTEL – Tom Hazinski, Managing Director with HVS, was on hand to discuss the Request for Proposals for the private development of a conference center. It was moved by Council Member Pearson, seconded by Council Member Watson, to proceed with the RFP as presented. All voted in favor and the motion carried.

CITY MANAGER'S REPORT – City Manager Kent Myers reported on (1) City Core Values, (2) Mid-Year Budget, (3) Website Improvements, (4) Marktplatz Improvements, and (5) City Employee Recognitions.

PUBLIC COMMENTS – Kelly Musselman thanked Council for the progress on the animal shelter.

COUNCIL COMMENTS – Graham Pearson commented on Enchanted Rock Tours, and Jerry Luckenbach commented on the Relief Route Open House on May 3.

EXECUTIVE SESSION - It was moved by Council Member Watson, seconded by Council Member Neffendorf, to recess the regular session and go into Executive Session at 7:30 PM. All voted in favor and the motion carried. At 8:20 PM, it was moved by Council Member Watson, seconded by Council Member Neffendorf, to adjourn the Executive Session and reconvene the regular session. All voted in favor and the motion carried.

The following items were discussed in Executive Session:

ELECTRIC FUEL RATES – No action was taken.

PROPERTY ACQUISITION FOR CITY PARKS – Council discussed the Bill Hamm property; no action was taken.

With no further discussion, Council Member Luckenbach made a motion to adjourn the meeting at 8:21 PM. Council Member Neffendorf seconded the motion. Motion carried.

PASSED AND APPROVED this the 6th day of June, 2016.

SHELLEY BRITTON, CITY SECRETARY	LINDA LANGERHANS, MAYOR

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

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
APRIL 18, 2016
6:00 PM

On this the 18th day of April, 2016, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
BOBBY WATSON - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER
GRAHAM PEARSON – COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT:
KENT MYERS - CITY MANAGER
SHELLEY BRITTON - CITY SECRETARY
PAT McGOWAN - CITY ATTORNEY
CLINTON BAILEY - D.P.W.U.
BRIAN JORDAN – DIR OF DEVELOPMENT SERVICES
RUSSELL IMMEL – IT MANAGER

The meeting was called to order at 6:00 PM., followed by the Pledge of Allegiance.

PROPOSED AMENDMENTS TO NOISE ORDINANCE - Council heard comments from twenty five (25) citizens regarding proposed amendments to the Noise Ordinance. No action was taken.

ORDINANCE AMENDING PROPOSED SPEED LIMIT CHANGE ON FM 2093 - It was moved by Council Member Luckenbach, seconded by council Member Neffendorf, to waive the second reading and adopt an Ordinance Amending the Speed Limit on FM 2093 from State Highway 16 South at mile point 22.533 to mile point 20.904 at the City Limit Line from 60 to 55 miles per hour. All voted in favor and the motion carried.

ORDINANCE NO. 26-004

AN ORDINANCE OF THE CITY OF FREDERICKSBURG, TEXAS, ZONING FOR TRAFFIC AND RATE OF SPEED THEREIN, ON FM 2093 IN THE CITY LIMITS OF FREDERICKSBURG; PROVIDING FOR PENALTIES; SAVING CLAUSE; REPEALING CONFLICTING LAWS AND SETTING AN EFFECTIVE DATE. (Recorded in Ordinance Book)

RESOLUTION APPROVING MUNICIPAL MAINTENANCE AGREEMENT WITH TX DOT – Council Member Watson moved, seconded by Council Member Luckenbach, to approve the Resolution Authorizing the City Manager to Execute the MMA with TxDOT.

RESOLUTION

A RESOLUTION APPROVING THE AGREEMENT DATED APRIL 18, 2016 BETWEEN THE STATE OF TEXAS AND THE CITY OF FREDERICKSBURG, TEXAS, FOR THE MAINTENANCE, CONTROL, SUPERVISION AND REGULATION OF CERTAIN STATE HIGHWAYS AND/OR PORTIONS OF STATE HIGHWAYS IN THE CITY OF FREDERICKSBURG, TEXAS; AND PROVIDING FOR THE EXECUTION OF SAID AGREEMENT.

BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:
That certain agreement dated April 18, 2016, between the state of Texas and the City of Fredericksburg for the maintenance, control, supervision and regulation of certain State Highways and/or portions of State Highways in the City of Fredericksburg be and the same is, hereby approved; and that the City Manager, Kent Myers, is hereby authorized to execute said agreement on behalf of the City of and to transmit the same to the State of Texas for appropriate action.

PASSED April 18, 2016.

LEASE AMENDMENTS ON LADY BIRD GRILL – It was moved by Council Member Pearson, seconded by Council Member Luckenbach, to extend the lease until May 2017, with a lease rate of $250/month, plus 5% of gross sales for the previous month, less the base rent. The vote was as follows: AYE: Langerhans, Watson, Luckenbach, Pearson, and Neffendorf. NAY: None. Motion carried.

ORDINANCE AMENDING WATERING RESTRICTIONS AT CITY PARKS – It was moved by Council Member Watson, seconded by Council Member Neffendorf, to waive the second reading and adopt the Ordinance amending watering restrictions at City Parks. The vote was as follows: AYE: Langerhans, Watson, Luckenbach, Pearson, and Neffendorf. NAY: None. Motion carried.

ORDINANCE 26-003

AN ORDINANCE AMENDING SECTION 47-45(b) OF THE CODE OF ORDINANCES OF THE CITY OF FREDERICKSBURG, THE DROUGHT CONTINGENCY PLAN OF THE CITY OF FREDERICKSBURG TO ADD SUBSECTION (5) TO SAID SECTION 47-45(b) PERMANENT REQUIREMENTS AND EXEMPTIONS TO ADD AN EXEMPTION FOR THE WATERING OF CITY PARKS, AND ESTABLISHING AN EFFECTIVE DATE. (Recorded in Ordinance Book)

UPDATE ON DOG PARK CONSTRUCTION PLAN CHANGES – Jody Donovan was on hand to update Council on the proposed dog park construction plan changes. He reported that the park has raised $103,254.50 to date and could break ground on Phase 1 by the end of the summer. No action was taken.

PRESENTATION ON CITY WATER SUPPLY – Council received a joint presentation by Director of Public Works Clinton Bailey and Hill Country Underground Water Conservation District Manager Paul Tybor regarding the City of Fredericksburg water supply. No action taken.

CITY MANAGER'S REPORT - City Manager's Report included (1) Conference Center RFP, (2) Relief Route Open House, (3) Highway 87 Clean Up, (4) City Employee Recognitions.

PUBLIC COMMENTS – Sonia Rivera commented on the proposed Charter Amendments.

COUNCIL COMMENTS – No comments.

With no further discussion, Council Member Luckenbach made a motion to adjourn the meeting at 8:45 PM. Council Member Watson seconded the motion. Motion carried.

PASSED AND APPROVED this the 6th day of June, 2016.

SHELLEY BRITTON, CITY SECRETARY	LINDA LANGERHANS, MAYOR

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

CITY COUNCIL MEMO

DATE: May 24, 2016

TO: Mayor and City Council

FROM: Andrea Warren, Parks & Recreation Director

SUBJECT: Parks, Recreation & Open Space Master Plan Resolution

Summary:

The Mayor and City Council approved the Parks, Recreation & Open Space Master Plan at their regular meeting on March 21, 2016. For the plan to be approved by the Local Park Grant Program of the Texas Parks and Wildlife Department there must be a formal resolution of adoption.

Recommendation:

It is recommended that the City Council pass a formal resolution adopting the Parks, Recreation & Open Space Master Plan.

Background / Analysis:

Below is the Proof of Adoption requirement from the Local Park Grant Program.

Once plans are complete, the applicable governing body must pass a formal resolution (or ordinance) adopting the plan and list of priority needs.

Attachments:

Resolution

The City of Fredericksburg

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

Department Approval

City Manager Approval

7

RESOLUTION NO. _____

A RESOLUTION APPROVING THE CITY OF FREDERICKSBURG PARKS, RECREATION AND OPEN SPACE MASTER PLAN AS THE CITY OF FREDERICKSBURG, TEXAS, PRIMARY TOOL TO GUIDE THE DELIVERY OF PARK AND RECREATION SERVICES THROUGH THE YEAR 2026; TO BECOME EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

WHEREAS, the City of Fredericksburg is committed to the presence of a quality parks and recreation system for its citizens; and

WHEREAS, it is recognized and accepted that parks, open space and recreation define the character of a community, provide the basis for popular local leisure activities, can create a scenic atmosphere that stimulates tourism and economic development, provide other benefits to a community such as health and wellness, reduction in crime, increase property values and stronger family values; and

WHEREAS, the orderly development of parks and facilities to address citizen needs demands a guidance system for the ongoing process of service delivery, management and development; and

WHEREAS, the City of Fredericksburg has developed such a guidance system based on citizen input, an analysis of current conditions and consideration of local and national standards; and

WHEREAS, the City of Fredericksburg administrative staff has reviewed the Parks, Recreation and Open Space Master Plan and has recommended that the City Council adopt some.

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

1. That the City Council approved the Parks, Recreation and Open Space Master Plan attached hereto.
2. That this Master Plan shall constitute the primary tool to guide the delivery of park and recreation services in Fredericksburg through the year 2026, however, it shall not be so rigidly followed that it fails to accomplish the twin goals of providing parks and recreation services to the City while preserving harmony with adjoining landowners and other members of the community.
3. That this Master Plan shall be reviewed by the City Council with the Parks and Recreation Department staff on an annual basis for recommendations on changes resulting from population, land use patterns, needs and attitudes of citizens and availability of park land and other resources.
4. That this Master Plan has accomplished certain goals and objectives, and through community input and a public hearing the priority list has been amended to reflect current recreational needs in the City of Fredericksburg.
5. That this resolution shall be in full force and effect from and after its passage and approval and it is accordingly so resolved.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS THE _____ DAY OF _____, 20__.

____

LINDA LANGERHANS, MAYOR

ATTEST:

____

City Secretary

CITY COUNCIL MEMO

DATE: June 6, 2016

TO: Mayor and City Council

FROM: Kris Kneese, P.E., Assistant Director of Public Works and Utilities

SUBJECT: Bids for RV Park Utilities Project - Phase 1

Summary:

Receive bids on the LBJ RV Park Utilities Project – Phase 1.

Recommendation:

City Staff recommends rejecting all bids for the RV Park Utilities Project.

Background / Analysis:

City Council budgeted $425,000.00 to start replacing aging utility lines (water and sewer pipes) within the Lady Bird Johnson (LBJ) RV Park. The project is a two (2) phased project which is to be constructed during the slower months of the RV Park (July and August) for the next two years.

Phase 1 of the RV Park Utilities Project started advertising for bids on April 27, 2016. The project advertised for 3 weeks in the local newspaper, as well as in three different plan houses in San Antonio.

The City of Fredericksburg

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

On May 24, 2016, three (3) sealed bids were received for the replacement of the water and sewer lines in a portion (approximately half) of the City's Lady Bird Johnson RV Park. The three bids are summarized in the table below.

Name of Bidder	Total Bid Amount
Lupe Rubio Construction	$710,089.05
QRO Mex Construction	$716,065.50
Nelson Lewis Construction	$683,463.00

As shown in the table the low bid is $258,463.00 over the budgeted amount of $425,000.00. City staff has evaluated the following options which will be discussed during the Council meeting.

Option 1: Amend the Parks Department budget to fund the bid amount over the budget.

Option 2: Reject bids

City Staff is recommending that City Council reject the bids and allow the City Water and Parks Department to replace the aging infrastructure over the next 3 to 5 years in small segments. The cost to purchase the needed materials would be charged to the approved budget of $425,000.00, but the City Council would recognize savings in this year's general fund budget with this approach. The cost to purchase the needed material will be presented at the City Council meeting for Councils consideration.

Attachments:

Department Approval

City Manager Approval

CITY COUNCIL MEMO

DATE: May 31, 2016

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Atmos Rate Increase

Summary:

The Council is requested to approve a recent rate increase filed by Atmos Energy Corporation that is the result of a settlement between Atmos and the Atmos Texas Municipalities (ATM) that includes the City of Fredericksburg.

Recommendation:

It is recommended that the attached request for a rate increase be approved. This increase which totals $29.9 million for the entire system represents an average increase of about 5%.

Background / Analysis:

The background and analysis for this rate increase is included in the attachment

Attachments:

Agenda Information Sheet
Resolution of Approval

12

The City of Fredericksburg

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

Department Approval

City Manager Approval

13

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

AGENDA INFORMATION SHEET
AGENDA ITEM NO. __________________

APPROVAL OF A CHANGE IN ATMOS ENERGY CORPORATION, MID-TEX DIVISION'S ("ATMOS") RATES AS A RESULT OF SETTLEMENT BETWEEN ATMOS AND THE ATMOS TEXAS MUNICIPALITIES ("ATM") UNDER THE RATE REVIEW MECHANISM FOR 2016

ATMOS TEXAS MUNICIPALITIES

The City is a member of the Atmos Texas Municipalities (ATM). The ATM group was organized by a number of municipalities served by Atmos and has been represented by the law firm of Herrera & Boyle, PLLC (through Mr. Alfred R. Herrera). ATM also retained the services of a consulting firm, Utilitech, Inc. (Mr. Mike Brosch and Mr. Steve Carver) to assist in reviewing an application submitted by the Atmos Energy-Mid-Tex Division (Atmos) that seeks to increase its rates and change its rates. Herrera & Boyle, PLLC and Utilitech, Inc. have participated in prior rate cases involving Atmos and have extensive knowledge and experience in rate matters affecting Atmos' rates, operations, and services.

HISTORY OF PRIOR RATE INCREASES

Increase Under Previous Version of RRM (Approved October 2010)

On March 15, 2010, Atmos requested an increase of $70.1 million in its system-wide rates. ATM and Atmos settled on an increase of $27 million for prospective rates.

Increase Under Previous Version of RRM (Approved September 2011)

On April 1, 2011, Atmos filed a request to increase rates system-wide by $15.6 million. ATM and Atmos agreed to not increase base rates and permitted Atmos to recover $6.6 million for the steel pipe replacement program.

General Rate Case (Approved December 2012)

In January 2012, Atmos sought an increase of about $49.1 million. Ultimately, the ATM cities and Atmos were not able to reach agreement on an increase and Atmos filed an appeal to the Railroad Commission of Texas. The Railroad Commission approved an increase of about $24.1 million, representing an increase in revenue of about 7%.

Prior Increase Under Current RRM (July 2013)

In the summer of 2013, Atmos and ATM entered into an agreement that approved a revised Rate Review Mechanism (RRM). The RRM approved in the summer of 2013 is the third iteration of that rate-setting mechanism.

On about July 15, 2013, Atmos submitted a request to increase rates under the current RRM. Atmos requested an increase in rates on a system-wide basis of $22.7 million, which is an increase of about 5%. Following a series of settlement negotiations between Atmos' experts and ATM's experts, Atmos agreed to an increase of $16.6 million, an increase in revenue of about 3.7%.

Prior Increase Under the RRM (June 2014) – Atmos Filed Appeal With the Railroad Commission – Gas Utility Docket (GUD) No. 10359:

On about February 28, 2014, Atmos filed its second request to increase rates under the current iteration of the RRM (the "2014 RRM") and requested a system-wide increase of about $45.6 million (9.2% increase in revenue). ATM's consultants' preliminary assessment indicated that Atmos warranted at most an increase of $26.6 million. A settlement was not reached, the ATM cities denied Atmos' proposed increase, and Atmos appealed ATM's denial of its revenue increase to the Railroad Commission. On appeal Atmos revised its request downward from $45.6 million to $43.8 million. Atmos implemented the full rates on June 1, 2014, subject to refund. The Commission held a hearing on September 3, 2014, and after the hearing, the hearing examiner proposed an increase of $42.9 million, that is, only about $860,000 less than Atmos requested.

Prior Increase Under the RRM (May 2015):

On February 27, 2015, Atmos submitted its third application under the current RRM seeking a *system-wide* rate increase of $28.7 million ("2015 RRM"), which equates to an increase of about 5.6%. After review of Atmos' application, the Railroad Commission's proposal for decision in GUD No. 10359, and the Hearing Examiner's PFD for the 2014 RRM, ATM's Special Counsel and consultants concluded that if the matter were appealed to the Railroad Commission, the result would be an increase closer to about $23 million.

Ultimately, ATM and Atmos settled the appeal related to Atmos' proposed increase for Atmos' 2014 RRM, and Atmos' 2015 RRM, for a combined increase in rates of about $65.69 million, comprised on an increase of about $43.82 million for its 201%4 RRM and about $21.87 million for its 2015 RRM.

Pending 2016 RRM (May 2016):

On about March 1, 2016, Atmos submitted its fourth application under the current RRM seeking a *system-wide* rate increase of $35.4 million ("2016 RRM"), which equates to an increase of about 6.04%. After review of Atmos' application, the Railroad Commission's prior rulings, and Atmos' responses to requests for information submitted to Atmos by ATM's Special Counsel and consultants, ATM's consultants concluded that Atmos merited an increase of about $10.8 million. ATM's Special Counsel presented its findings to Atmos, with which Atmos disagrees. Following negotiations with Atmos, Atmos agreed to an increase of $29.9 million, which equates to an increase of about 5.5%.

OPTIONS FOR CITY ACTION REGARDING ATMOS' 2016 RRM:

The item requiring City action is Atmos' 2016 RRM. At this juncture the ATM cities' options are as follows:

Option 1. To deny Atmos' requested increase under the 2016 RRM of $35.4 million and approve no increase;

Option 2. To deny Atmos' requested increase and approve an increase of no more than $10.8 million for its 2016 RRM, based on ATM's consultants' preliminary report;

Option 3. To take no action and allow Atmos' proposed increase of $35.4 million to go into effect; or

Option 4. To approve a settlement agreement that resolves the 2016 RRM with an increase in rates of $29.9 million.

Note that under Option 1 and Option 2, Atmos has the right to appeal the ATM cities' decisions to the Railroad Commission of Texas and pending such an appeal has the right to implement its proposed increase of $35.4 million effective June 1, 2016, subject to refund if the Commission's review later finds a lower amount is appropriate. Atmos would very likely file an appeal to the Railroad Commission should the ATM cities approve an increase less than $29.9 million.

In an appeal to the Commission, Atmos would in all likelihood argue that the costs of appeal should be borne by only those cities that "caused" the appeal. Given the Commission's tendency to err in favor of utilities, Atmos would likely prevail. An appeal would increase the burden on ratepayers by adding rate case expenses, which would include both ATM's and Atmos' costs of preparing and prosecuting the appeal, and the costs of a hearing.

RECOMMENDATION:

After a series of negotiations with Atmos, ATM's Special Counsel recommends resolving the 2016 RRM with an increase of $29.9 million.

If the ATM Cities reject Atmos' settlement offer, Atmos would likely appeal the cities' decision to the Railroad Commission. While there are a number of contested issues whose outcome is uncertain in an appeal, based on the Railroad Commission's history and prior decisions, ATM's Special Counsel and consultants are of the opinion that the Railroad Commission would reach a result not materially different than the settlement amount of $29.9 million, and perhaps approve a higher increase.

Therefore, because of the risks of a litigated outcome, including the cost of litigation at the Railroad Commission, ATM's special counsel advises the ATM cities to accept a settlement that increases Atmos' revenue by about $29.9 million over the current revenue Atmos is collecting.

An increase under the 2016 RRM of about $29.9 million over the base-rate revenue Atmos is *currently* collecting, represents an increase of about 5.5% in non-gas revenue and the impact on rates on an average customer's bill would be as follows:

Customer Class	Current Bill	Proposed Bill	Difference	% Increase with Gas Cost	% Increase without Gas Cost
Residential	$52.01	$53.27	$1.26	2.43%	5.05%
Commercial	$267.17	$270.98	$3.81	1.43%	5.03%
Industrial	$5,184.05	$5,286.77	$102.72	1.98%	5.41%
Transportation	$3,666.82	$3,769.54	$102.72	2.80%	5.41%

The rate schedules to accomplish the increase are attached to the Resolution approving the increase.

The City should take action as soon as possible but no later than May 31, 2016.

RESOLUTION NO. ____________

A RESOLUTION BY THE CITY OF ______________, TEXAS ("CITY"), APPROVING A CHANGE IN THE RATES OF ATMOS ENERGY CORPORATION, MID-TEX DIVISION ("ATMOS") AS A RESULT OF A SETTLEMENT BETWEEN ATMOS AND THE ATMOS TEXAS MUNICIPALITIES ("ATM") UNDER THE RATE REVIEW MECHANISM; FINDING THE RATES SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; FINDING THAT THE MEETING COMPLIED WITH THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THE RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

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

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

WHEREAS, pursuant to the Rate Review Mechanism ("RRM") for 2016 filed with the City on or around March 1, 2016 for a proposed system-wide increase of $35.4 million; and

WHEREAS, experts representing ATM have been analyzing data furnished by Atmos and interviewing Atmos' management regarding the RRM; and

WHEREAS, the Steering Committee of ATM and its counsel recommend approval of the attached tariffs, set forth as Attachment A, along with the proof of revenues set forth as Attachment B, which results in an increase in Atmos' revenue of $29.9 million, and Attachment C, setting forth the beginning balance for purposes of determining pension and other post-employment benefits to be recovered in the next RRM filing.

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

Section 1. The findings set forth in this Resolution are hereby in all things approved.

Section 2. The amended tariffs in Attachment A are hereby adopted to become effective on June 1, 2016.

Section 3. To the extent any Resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby superseded.

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

Section 5. If any one or more sections or clauses of this Resolution is judged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 6. This Resolution shall become effective from and after its passage.

Section 7. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Christopher Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1600, Dallas, Texas 75240 and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, Texas 78701.

PASSED AND APPROVED this _________ day of __________________, 2016.

____

Mayor

ATTEST:

____

City Secretary

20

CITY COUNCIL MEMO

DATE: May 31, 2016

TO: Mayor and City Council

FROM: Andrea Warren, Parks & Recreation Director

SUBJECT: Receive and Consider request from Market Square Redevelopment Commission to place a small concrete slab on the Square for the Oktoberfest "Kids Area"

Summary:

The Market Square Redevelopment Commission met on May 12th where Debbie Farquhar presented a request from the Oktoberfest "Kids Area" Committee to place a small concrete slab on the square to aid in the stability of the Hi-Striker. Following a discussion, it was moved to recommend that City Council approve the request provided that (1) a color hardener finish be used to better blend in, and (2) the City have the right to remove the slab if it becomes a hazard.

Recommendation:

It is recommended that City Council approve the Oktoberfest "Kids Area" Committee request to place a small slab on Market Square provided that the slab include a color hardener finish that blends with existing bricks and allows the city the right to remove the slab if it becomes a hazard.

Background / Analysis:

The Oktoberfest "Kids Area" Committee has requested to place a small concrete slab on the Square for the 21 foot tall Hi-Striker. In order for Hi-Strikers to function safely and properly, they must be anchored to the ground with stakes and cables. Since the Hi-Strikers have become so popular and are played many times, it has become extremely difficult to keep the stakes in the dry ground. Over the course of

The City of Fredericksburg

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

the week the stakes vibrate and pop out of the ground. When this happens, the dynamics of the Hi-Striker changes and no one can successfully "Ring the Bell" and therefore lose interest in the game. This pad will provide the stability needed for the 21 foot tall Hi-Striker and solve this problem.

Attachments:

1. Concrete Pad Proposal for Oktoberfest Hi-Striker
2. Conceptual Drawing for Hi-Striker Concrete Mounting Pad
3. Map of Kinderpark Area

Department Approval	**City Manager Approval**

The City of Fredericksburg

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

Concrete Pad Proposal for Oktoberfest Hi-Striker

March 2016

From: Pedernales Creative Arts Alliance/Oktoberfest
701 North Llano
Fredericksburg, Texas 78624

To: Market Square Redevelopment Commission
City of Fredericksburg
Fredericksburg, Texas

Background: For the past 35 years, Pedernales Creative Arts Alliance (PCAA) has sponsored Oktoberfest the first weekend of October. The revenue to the City of Fredericksburg and local businesses is substantial. One of the attractions for visitors to Oktoberfest is the children's area known as Kinder Park. This area provides games and attractions for families with young children. Three of the most popular games are the Hi-Strikers (or Strong Man devices) for children, youth, and their parents. For these games, a person uses a large hammer or maul to strike the device to attempt to ring a bell at the top of the tower. The Hi-Strikers have grown in popularity, in fact, families now come back year after year to compete and enjoy the excitement and accomplishment of "Ringing the Bell" of the Hi-Strikers.

One of the PCAA members, David W. Wieting, Ph.D. serves as Chairperson of the Hi-Striker Committee of Oktoberfest Kinder Park. This committee is composed of some thirty men who are responsible for the set-up and staffing of the three Hi-Strikers during Oktoberfest each year. In order for the Hi-Strikers to function safely and properly, they must be anchored to the ground with stakes and cables. Since the Hi-Strikers have become so popular and are played many times, it has become extremely difficult to keep the stakes in the dry ground of Marktplatz throughout the entire weekend. As the people bang away trying to "Ring the Bell," the stakes vibrate and pop up out of the ground. When this happens, the dynamics of the Hi-Striker changes, no one can successfully "Ring the Bell," and people lose interest in playing the game. This problem has occurred every year due to the stakes popping out of the ground.

The dynamic stability of the 21 foot tall Hi-Striker is the biggest problem since the strong young men hit the device very hard with a 9 pound maul over and over trying to "Ring the Bell" at the top of the tower. The base of this Hi-Striker is shown in Fig. 1. The iron stakes about 4 feet long are driven through the 4 holes in the base of the Hi-Striker and into the ground of Marktplatz. The Hi-Striker has been located in the same spot each year, 53 feet and 8 inches from the corner of the Kinder Park area as illustrated in Fig. 2A. The location of Kinder Park in Marktplatz is shown in Fig. 2B. The stakes of the Hi-Striker have been driven into the ground each year and have never hit a lawn sprinkler line or an underground electrical cable. However. the problem we have is that the stakes vibrate loose and simply do not stabilize the Hi-Striker due to the repeated pounding trying to "Ring the Bell." To solve this problem, we propose the following modification to the Kinder Park area of Marktplatz.

Proposal: Construct a 12 inch thick concrete pad approximately 2.5 feet wide by 4 feet long adjacent to the sidewalk (See Fig. 2A) with four 3/4 inch threaded 316 stainless steel anchors embedded in the concrete as illustrated in Fig. 3. The concrete pad will also contain re-bar to maintain integrity and prevent cracking of the concrete. Todd Eidson, CGP, President of Sierra Homes, who is a member of the Hi-Striker Committee will write the specifications for the size and location of the re-bar in the concrete pad. The four anchors will have a stainless steel cage welded to them to insure the proper location in the concrete pad and prevent pull out during the force of the large maul striking the Hi-Striker. For Oktoberfest set-up of the Hi-Striker the base of the Hi-Striker will simply be placed over the four stainless steel anchors, four 3/4 inch bolts will then be inserted and screwed down to stabilize the Hi-Striker as illustrated in Fig. 4. A hard rubber pad will be placed between the metal base of the Hi-Striker and the concrete pad to absorb the shock of the maul. At the end of Oktoberfest, the bolts will simply be unscrewed and the base of the Hi-Striker will be removed and stored until the next Oktoberfest.

N/A

~~If the Market Square Redevelopment Commission would like, we will be happy to fabricate a "Chin-up" bar similar to the taller one shown in Fig. 5 which is located in the exercise area behind the Wellness Center. This "Chin-up" bar can will be removed for about one week during Oktoberfest for mounting of the Hi-Striker. After Oktoberfest the "Chin-Up Bar" will be bolted down to the concrete pad and the rest of the year it will provide local youth an exercise device to enjoy and improve their health. This "Chin-up Bar" would be fabricated from galvanized pipe and galvanized metal plates at the base to be bolted to the concrete pad. For safety a soft rubber mat will be placed on the concrete pad under the "Chin-up Bar." Alternatively a park bench could be placed on the concrete pad, or the pad could be built about 2 inches below the ground level and covered with sod after Oktoberfest.~~

Method: The Hi-Striker Committee of Oktoberfest Kinder Park has members who have the knowledge and experience in construction and concrete finishing to do the necessary work under the supervision of personnel from the City of Fredericksburg Parks and Recreation Department. The excavation of dirt will be done by hand by Hi-Striker committee members with care not to damage underground irrigation lines or electrical lines. No power equipment will be used to excavate the soil. The concrete pad will be approximately 12 inches thick as illustrated in Fig. 3. One of the 316 Stainless Steel anchors is shown in Fig. 6. The four anchors will have a stainless steel cage welded to them to insure the proper location in the concrete pad and prevent pull out during the force of the large maul striking the Hi-Striker. The concrete pad will need to be poured at least two months prior to Oktoberfest so that the concrete will reach maximum strength by the first weekend in October 2016 and not be damaged during Oktoberfest. Therefore the work should be completed by the end of July 2016.

The Hi-Striker Committee would like to thank you for reviewing this proposal and look forward to meeting with you to discuss any questions you may have.

Legend for Figures

Fig. 1. Photograph of the base of the 21 foot tall Hi-Striker illustrating one of the 4 foot tall iron stakes that in the past have been driven into the ground of Marktplatz to attempt to anchor and stabilize the Hi-Striker during Oktoberfest.

Fig. 2A. Drawing of the Kinder Park area of Marktplatz illustrating where the 21 foot tall Hi-Striker is located during Oktoberfest

Fig. 2B. Drawing showing the location of Kinder Park in Marktplatz during Oktoberfest.

Fig. 3. Drawing of the proposed concrete pad which will have four 3/4 inch threaded 316 Stainless Steel anchors embedded in the concrete.

Fig. 4. Photograph of the Hi-Striker base illustrating one of the Stainless Steel anchors bolted to the steel base plate. These anchors will be embedded in the concrete pad.

~~Fig. 5. Photograph of the "Chin-up Bar" at the Wellness Center~~ N/A

Fig. 6. Photograph of one of the 316 Stainless Steel anchors to be embedded in the concrete pad. An 8 inch Crescent wrench is shown for comparison.

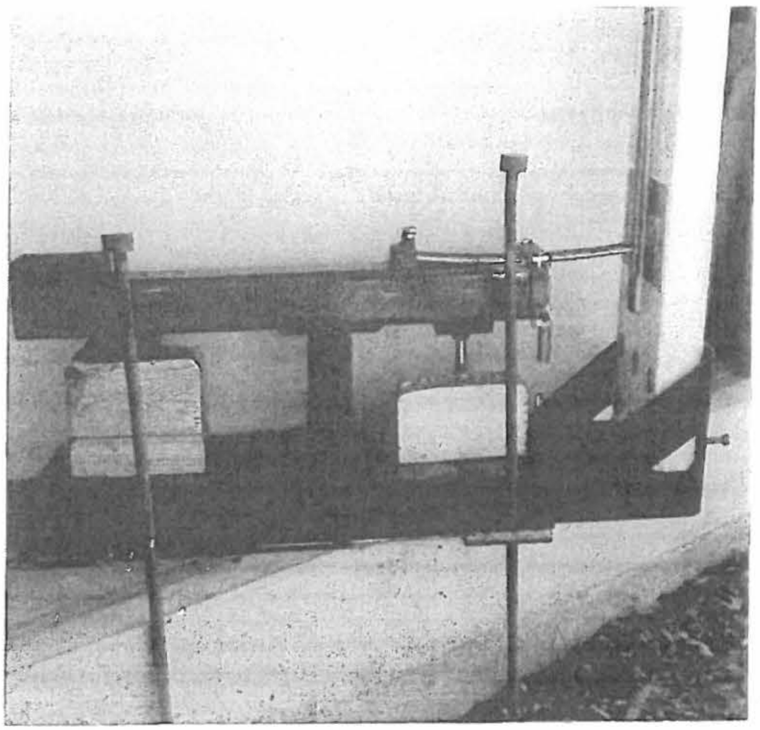


Fig. 1. Photograph of the base of the 21 foot tall Hi-Striker illustrating one of the 4 foot tall iron stakes that are driven into the ground of Marktplatz to anchor and stabilize it during Oktoberfest.

27

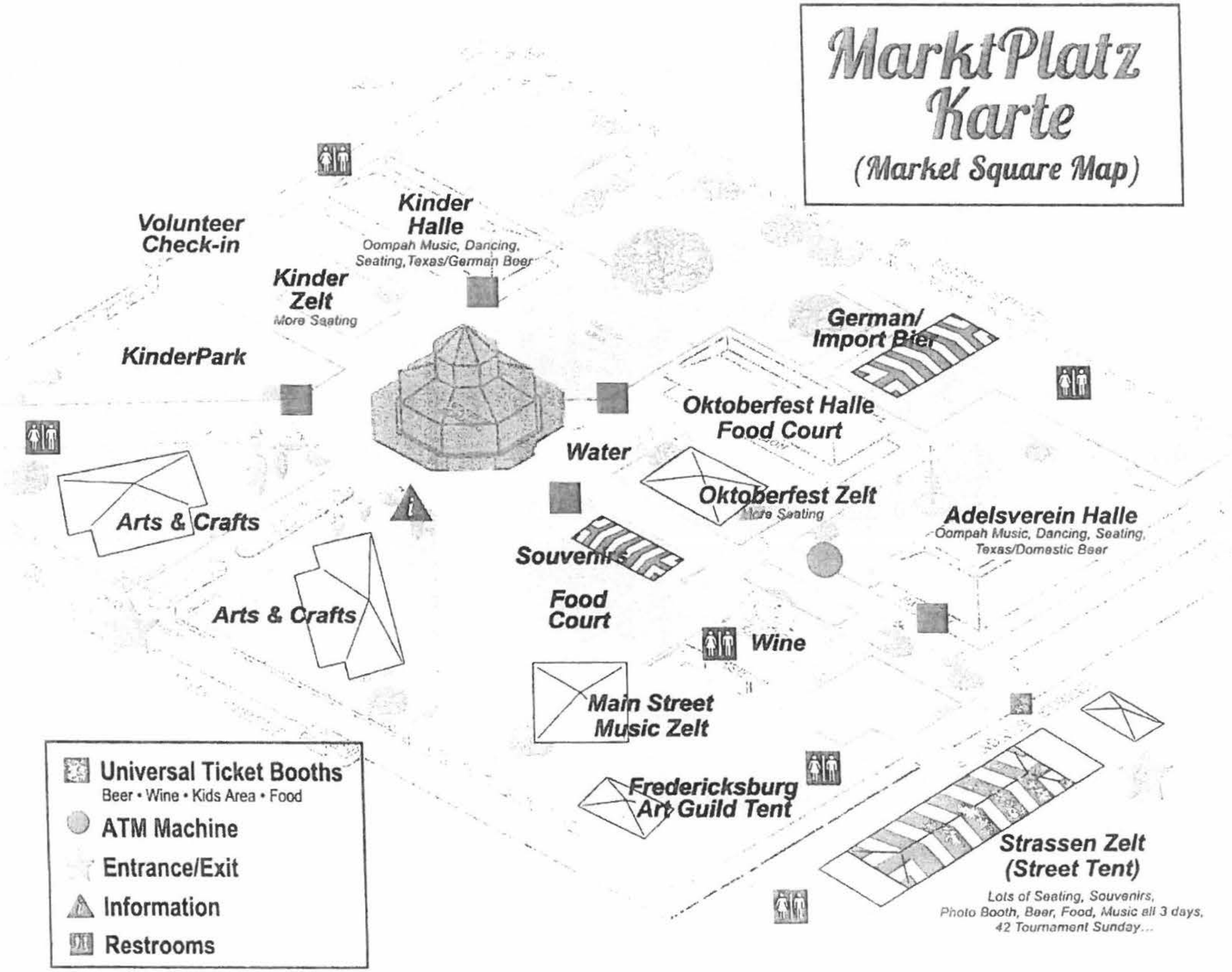


Fig. 2B. Drawing showing the location of Kinder Park in Marktplatz during Oktoberfest.

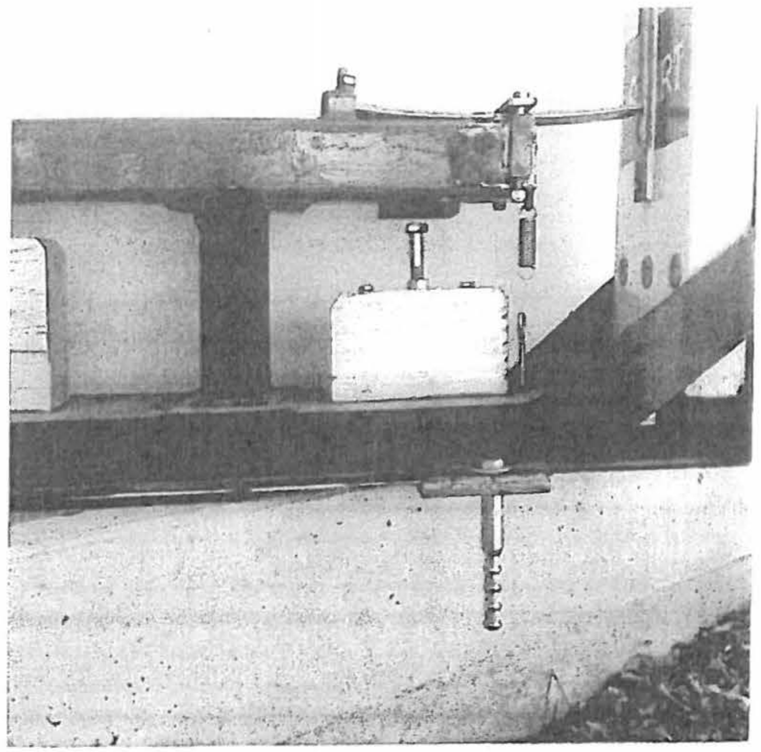


Fig. 4. Photograph of the Hi-Striker base illustrating one of the Stainless Steel anchors bolted to the steel base plate. These anchor will be embedded in the concrete pad.

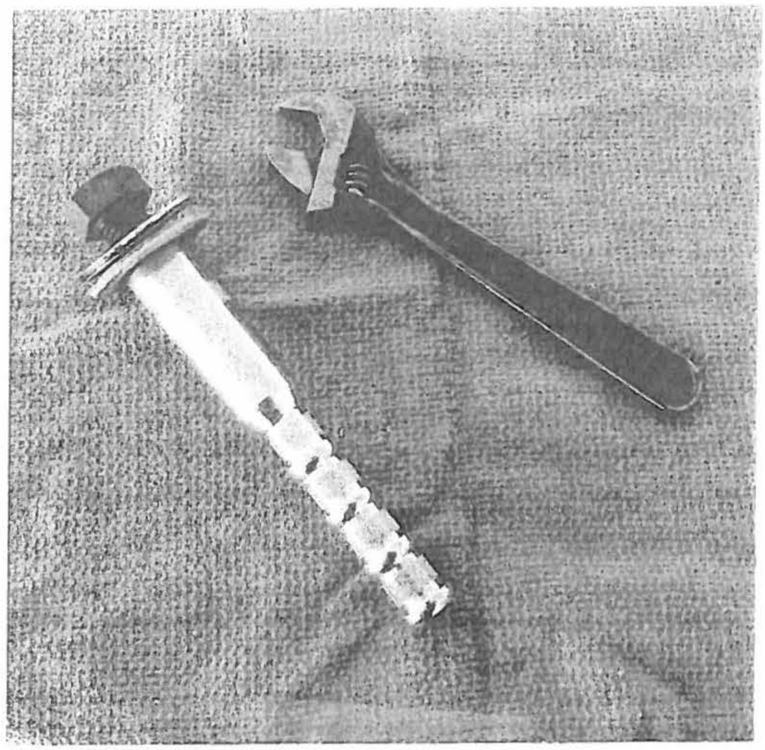
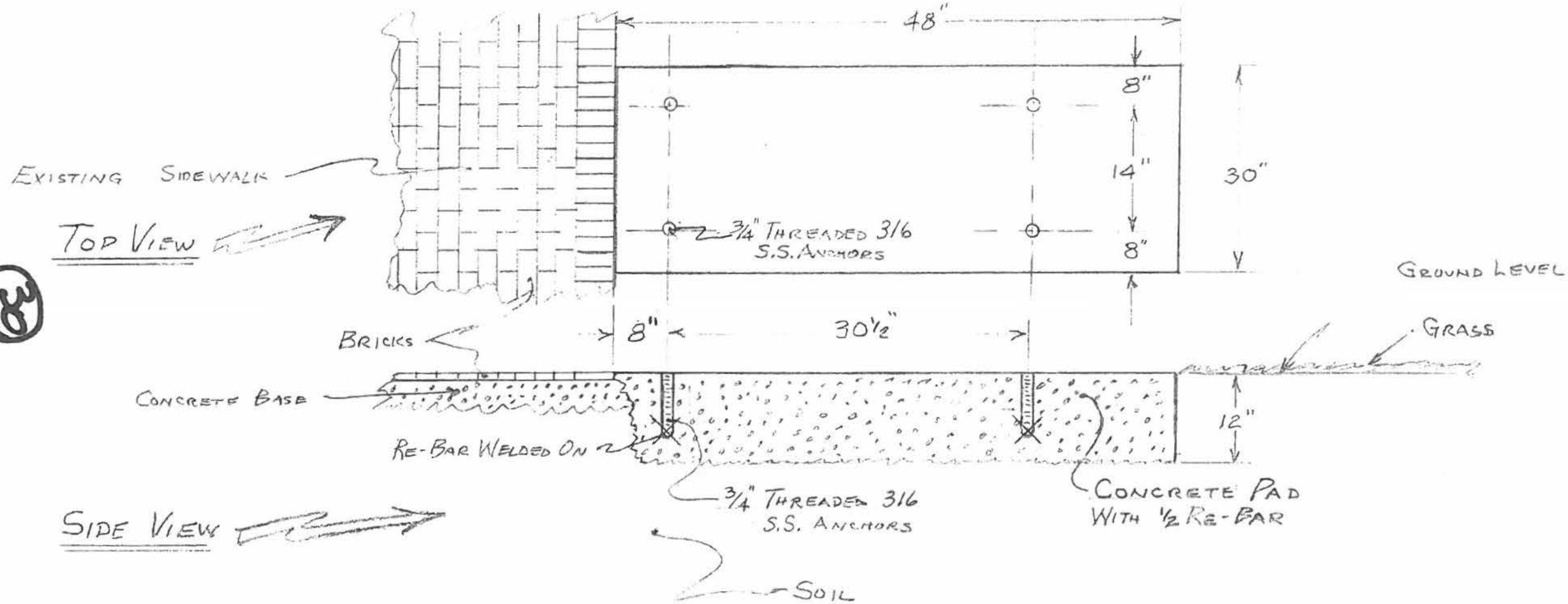


Fig. 6. Photograph of one of the 316 Stainless Steel anchors to be embedded in the concrete pad. An 8 inch Crescent wrench is shown for comparison.

CONCEPTUAL DRAWING FOR HI-STRIKER CONCRETE MOUNTING PAD
FOR OKTOBERFEST KINDER PARK AREA OF MARKTPLATZ
FREDERICKSBURG, TEXAS

8



SCALE: NONE

PROPOSED BY THE HI-STRIKER COMMITTE OF OKTOBERFEST

Fig. 3. Drawing of the proposed concrete pad which will have four 3/4 inch threaded 316 Stainless Steel anchors embedded in the concrete.

DRAWN BY: DAVID W. WIETING, Ph.D
DATE: FEBRUARY 17, 2016

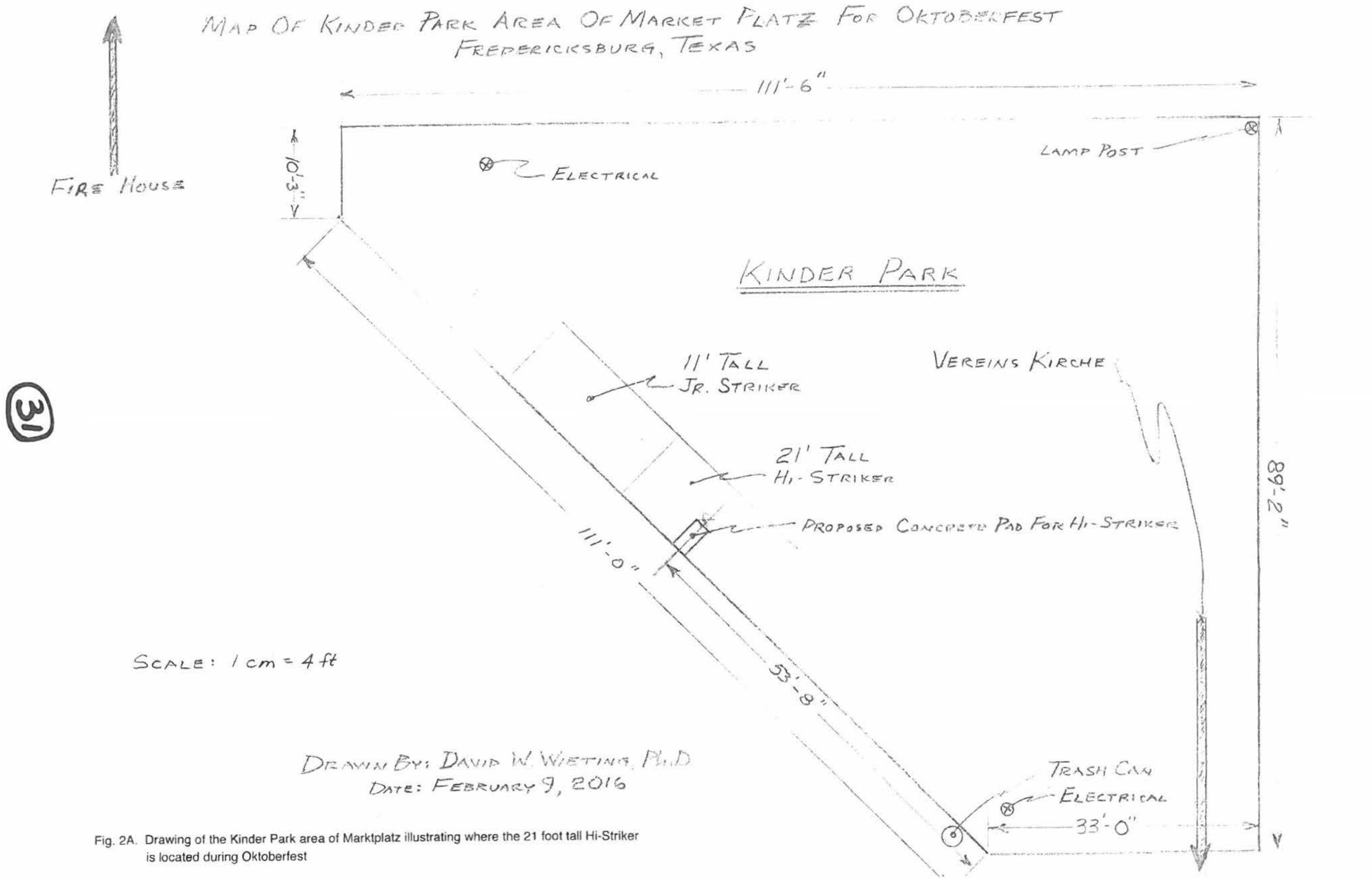


Fig. 2A. Drawing of the Kinder Park area of Marktplatz illustrating where the 21 foot tall Hi-Striker is located during Oktoberfest

CITY COUNCIL MEMO

DATE: May 31, 2016

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Screening Committee-Hotel/Conference Center RFPs)

Summary:

A Screening Committee has been suggested in order to review the proposals submitted for the Hotel/Conference Center project.

Recommendation:

It is recommended that the City Council appoint a Screening Committee to review the proposals submitted for the Hotel/Conference Center and provide the City Council with their recommendations.

Background / Analysis:

We are currently requesting proposals for private developers who are interested in developing a hotel/conference center project. Based upon recent conversations with Tim Lehmberg and Ernie Loeffler, we believe that a Screening Committee would be helpful in reviewing the proposals submitted and making recommendations to the City Council. The Council will still be responsible for making any final decisions regarding the selection process.

It is also recommended that the following be appointed to serve on this Screening Committee:

Brad Hardin-EDC Board

The City of Fredericksburg

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

Tim Lehmberg-EDC Executive Director
Ross Burtwell-CVB Board
Ernie Loeffler-CVB President/CEO
Kent Myers-City Manager
Tom Hazinski (Ex-Officio Member)-HVS Consulting

Staff Resources
Clinton Bailey-Public Works Director
Brian Jordan-Director of Development Services
Konnie Patke-CVB Sales Manager
Jan Musgrove-CVB Sales and Services Coordinator

Attachments:

None

Department Approval

City Manager Approval

The City of Fredericksburg

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