

**CITY OF FREDERICKSBURG
CITY COUNCIL MEETING**

MONDAY, SEPTEMBER 17, 2018 ~ 6:00 p.m.

Law Enforcement Center ~ 1601 East Main Street

Linda Langerhans, Mayor
Jerry Luckenbach, Council Member
Tom Musselman, Council Member

Gary Neffendorf, Council Member
Charlie Kiehne, Council Member
Kent Myers, City Manager

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

A G E N D A

CALL TO ORDER

Page Ref

PLEDGE OF ALLEGIANCE

1. **EMPLOYEE RECOGNITIONS**
2. **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.
3. **MINUTES** - Consider approving minutes of August 2018 meetings. 1-9
4. **PUBLIC HEARING**
A. **PUBLIC HEARING** - Z-1812 Zoning Change From R2 Mixed Residential to C2 Neighborhood Commercial, and Land Use Change from Medium Density Residential to Commercial on approx. 10 Acres Friendship Lane, East of S. Washington St. 10-28
5. **ORDINANCES - RESOLUTIONS-ACTION ITEMS**
A. Consider Z-1812 for Zoning Change and Land Use Change
B. Consider Adopting an Ordinance Providing for the Abandonment, Vacation and Closure of North Street, South of Highway Street 29-34
C. Consider Adopting an Ordinance to Amend EMS Fees 35-40
6. **INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION**
A. Approval of 2019 Budget 41-47
B. Approval of Property Tax Rate 48-54
C. Receive Recommendation and Consider Awarding Bid for Audit Services 55-71
D. Receive Recommendation and Consider Awarding Bid for Banking Services 72-85
E. Presentation by City Financial Advisor on Utility Bond Issues 86-89
F. Consider Appointment to Zoning Board of Adjustment 90-92
7. **CITY MANAGER'S REPORT**
A. Update on STR Regulations
B. Community Visioning Report
C. Relief Route Meetings
D. City Council Retreat
8. **ITEMS FOR FUTURE AGENDA**
9. **COUNCIL COMMENTS** - No discussion or action may take place.
10. **ADJOURN**

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

SPECIAL CITY COUNCIL MEETING
AUGUST 6, 2018
8:30 AM

On this the 6th day of August, 2018, the City Council of the CITY OF FREDERICKSBURG convened in special session at the Fire Station Meeting Room, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
JERRY LUCKENBACH - COUNCIL MEMBER
TOM MUSSELMAN - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER
GARY NEFFENDORF - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY – ACM/DPWU
DANIEL JONES – CITY ATTORNEY

WORKSHOP WITH COUNTY OF GILLESPIE – Council held a joint workshop with Gillespie County Commissioners Court to discuss the following:

- Gillespie county Health Services
- City/County Emergency Management Services
- City Fire Department
- County Rural Fire Services
- City EMS Department
- Law Enforcement Center (LEC)
- Combined Emergency Dispatch Center
- City Animal Shelter
- Sports Park

No action was taken.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 11:00 AM. Council Member Luckenbach seconded the motion. Motion carried.

PASSED AND APPROVED this the 18th day of September 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

* * * * *

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
AUGUST 6, 2018
6:00 PM

On this the 6th day of August, 2018, 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
GARY NEFFENDORF - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER
TOM MUSSELMAN - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - A.C.M./D.P.W.U.
BRIAN JORDAN - DIR DEVELOPMENT SERVICES
SHELLEY BRITTON - CITY SECRETARY
DANIEL JONES - CITY ATTORNEY

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

EMPLOYEE RECOGNITIONS – City Manager Kent Myers recognized

PUBLIC COMMENT – Mo Saïde recommended changes to “The Beginning” Annexation Agreement.

ANNEXATION AGREEMENT ON APPROXIMATELY 11.7 ACRES LOCATED IN THE NW CORNER OF SMOKEHOUSE ROAD AND THE EXTENSION OF W. WINDCREST DRIVE, OTHERWISE KNOWN AS “THE BEGINNING” – It was moved by Council Member Musselman, seconded by Council Member Luckenbach, to approve the Annexation Agreement on “The Beginning” Subdivision with the changes in Sec 5B as recommended. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

ANNEXATION ORDINANCE FOR APPROXIMATELY 24.77 ACRES LOCATED AT THE NW CORNER OF SMOKEHOUSE ROAD AND THE EXTENSION OF W. WINDCREST DRIVE, INCLUDING “THE BEGINNING” - It was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to adopt the Ordinance annexation approx.. 24.77 acres located at the NW corner of Smokehouse Road and the extension of W. Windcrest Drive, including “The Beginning”. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

ORDINANCE NO. 28-008

AN ORDINANCE ANNEXING TO THE CITY OF FREDERICKSBURG TEXAS APPROXIMATELY 24.77 ACRES OF LAND, BEING CERTAIN LOT OF THE SEIPP SUBDIVISION LOCATED ALONG SMOKEHOUSE ROAD, GILLESPIE COUNTY, TEXAS; EXTENDING TO CORPORATE LIMITS OF THE CITY OF FREDERICKSBURG TEXAS, SO AS TO INCLUDE SAID TERRITORY; GRANTING TO ALL INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY ALL OF THE RIGHT AND PRIVILEGES OF OTHER CITIZENS OF THE CITY OF FREDERICKSBURG, TEXAS; BING THE INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY BY ANY AND ALL ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF SAID CITY OF FREDERICKSBURG, TEXAS; AND PROVIDING FOR AN ANNEXATION AGREEMENT FOR THE EXTENSION OF MUNICIPAL SERVICES INTO SAID TERRITORY AND THE CONSTRUCTION AND MAINTENANCE OF PUBLIC UTILITIES RELATED TO SUCH ANNEXATION. (Recorded in Ordinance Book)

ZONING ORDINANCE ESTABLISHING R-1A ZONING ON APPROXIMATELY 11.7 ACRES LOCATED IN THE NW CORNER OF SMOKEHOUSE ROAD AND THE EXTENSION OF W. WINDCREST DRIVE, OTHERWISE KNOWN AS "THE BEGINNING"

– It was moved by Council Member Neffendorf, seconded by Council Member Luckenbach, to adopt Ordinance establishing R-1A Zoning on "The Beginning" Subdivision as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

ORDINANCE NO. 28-009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING THE ZONING DISTRICT AS TO CERTAIN LOT OF THE SEIPP SUBDIVISION LOCATED ALONG SMOKEHOUSE ROAD, UPON ANNEXATION INTO THE CITY OF FREDERICKSBURG, TEXAS; ESTABLISHING RESIDENTIAL ZONING FOR SAID PROPERTY UPON ANNEXATION; AND PROVIDING FOR AN EFFECTIVE DATE. (Recorded in Ordinance Book)

BUDGET AMENDMENT FOR MUNICIPAL COURT RELOCATION – It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve a budget amendment of \$60,000 to cover the costs for renovation of lease space and purchase of furniture to accommodate the new Municipal court offices. All voted in favor and the motion carried.

AMENDMENT TO LEASE FOR THE UNIVERSITY CENTER PROPERTY – It was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to approve the Amendment to the Lease for the University Center Property. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

LEASE AGREEMENT FOR MUNICIPAL COURT OFFICE SPACE – It was by Council Member Luckenbach, seconded by Council Member Musselman, to approve the Lease Agreement for 1500 square feet at 103 Industrial Loop at a beginning monthly lease rate of \$1500. All voted in favor and the motion carried.

VACATION OF NORTH STREET IN THE VICINITY OF HIGHWAY STREET - Council Member Kiehne moved, seconded by Council Member Luckenbach, to approve the

Vacation of North as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

PRESENTATION ON THE STATUS OF THE WATER SUPPLY – Clinton Bailey, Asst City Manager, and Paul Tybor, Hill Country Underground Water Conservation District Manager, gave a joint presentation regarding the City of Fredericksburg Water Supply. No action taken.

CITY MANAGERS REPORT – The City Manager’s report included: (1) Annexation Update, (2) Art Guild Building (3) Ordinance Waiving Impact Fees, and (4) September City Council Retreat.

FUTURE AGENDA ITEMS - Council discussed future agenda items.

COUNCIL COMMENTS – Council Member Kiehne commented on attending a rally for Beto O’Rourke, Candidate for Texas Senate.

BUDGET WORKSHOP – Council held a Budget Workshop; no action taken.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 9:29 PM. Council Member Neffendorf seconded the motion. Motion carried.

PASSED AND APPROVED this the 17th day of September, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

* * * * *

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

SPECIAL CITY COUNCIL MEETING
AUGUST 10, 2018
3:00 PM

On this the 10th day of August, the City Council of the CITY OF FREDERICKSBURG convened in special session at City Hall, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
GARY NEFFENDORF - COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER
TOM MUSSELMAN - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
BRIAN JORDAN – DIR DEVELOPMENT SERVICES
DANIEL JONES – CITY ATTORNEY

Mayor Langerhans called the meeting to order at 3:00 PM.

EXECUTIVE SESSION TO DISCUSS THE PURCHASE, EXCHANGE, and LEASE OR VALUE OF REAL PROPERTY LOCATED IN THE VICINITY OF OAKCREST MUNICIPAL PARK - No action was taken.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 4:10 PM. Council Member Luckenbach seconded the motion. Motion carried.

PASSED AND APPROVED this the 17th day of September, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

* * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**SPECIAL CITY COUNCIL MEETING
AUGUST 13, 2018
4:00 PM**

On this the 13th day of August, the City Council of the CITY OF FREDERICKSBURG convened in special session at City Hall, with the following members present to constitute a quorum:

LINDA LANGERHANS - MAYOR
GARY NEFFENDORF - COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER
TOM MUSSELMAN - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
LAURA HOLLENBEAK – DIR OF FINANCE

Mayor Langerhans called the meeting to order at 4:00 PM.

BUDGET WORKSHOP - Council held a Budget Workshop on FY 2018-2019.

With no further discussion, Council Member Kiehne made a motion to adjourn the meeting at 6:30 PM. Council Member Neffendorf seconded the motion. Motion carried.

PASSED AND APPROVED this the 17th day of September, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

* * * * *

**STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG**

**REGULAR CITY COUNCIL MEETING
AUGUST 20, 2018
6:00 PM**

On this the 20th day of August, 2018, 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
GARY NEFFENDORF- COUNCIL MEMBER
JERRY LUCKENBACH - COUNCIL MEMBER
TOM MUSSELMAN - COUNCIL MEMBER
CHARLIE KIEHNE - COUNCIL MEMBER

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
CLINTON BAILEY - ACM/D.P.W.U.
BRIAN JORDAN - DIR OF DEVELOPMENT SERVICES
DANIEL JONES - CITY ATTORNEY
RUSSELL IMMEL - IT MANAGER

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

EMPLOYEE RECOGNITIONS –

MINUTES - It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the minutes of the July 2018 minutes as presented. All voted in favor and the motion carried.

PUBLIC COMMENTS – None.

PUBLIC HEARING Z-1807 TO CHANGE THE ZONING FROM R1 SINGLE FAMILY RESIDENTIAL TO C2 COMMERCIAL ON 1.538 ACRES LOCATED AT 1332 E. MAIN ST. - It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to recess the regular session and open the Public Hearing on Z-1807 to change the Zoning from R1 Single Family Residential to C2 Commercial on 1.538 acres located at 1332 E. Main St. All voted in favor and the motion carried.

Several people spoke against the proposed rezoning, stating that it would negatively affect the surrounding property owners. It was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST Z-1807 – Considering the protests of ten property owners within 200' of the subject property, it was moved by Council Member Musselman, seconded by Council Member

Luckenbach, to deny Z-1807 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

PUBLIC HEARING Z-1811 TO (1) CHANGE THE ZONING FROM R2 MIXED RESIDENTIAL TO C2 COMMERCIAL AND (2) CHANGE THE LAND USE FROM MEDIUM DENSITY RESIDENTIAL TO MIXED USE CORRIDOR ON APPROX. 3 ACRES LOCATED OFF OF E. MAIN ST. - It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to recess the regular session and open the Public Hearing on Z-1811 to (1) change the zoning from R2 Mixed Residential to C2 Commercial and (2) change the Land Use from Medium Density Residential to Mixed Use Corridor on approx. 3 acres located off of E. Main St. All voted in favor and the motion carried.

The property owner presented his arguments in favor of the request; no other comments were received.

It was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST Z-1811 – Based on the staff recommendation and the protests of property owners within 200' of the subject property, it was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to deny Z-1811 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Kiehne, Musselman, and Luckenbach; NAY: None. Motion carried.

PUBLIC HEARING Z-1808 FOR AN AMENDMENT TO THE PUD FOR WAL-MART AT 1435 E. MAIN ST. - It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to recess the regular session and open the Public Hearing on Z-1808 for an Amendment to the PUD for Wal-Mart at 1435 E. Main St. All voted in favor and the motion carried.

No comments were received; it was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

ORDINANCE RE: REQUEST Z-1808 – It was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to approve Z-1808 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Musselman, and Luckenbach; NAY: Kiehne. Motion carried.

ORDINANCE NO. 28-011

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY TO APPROVE A SECOND AMENDMENT TO THE PLANNED UNIT DEVELOPMENT PERTAINING TO 23.35 ACRES OF LAND BEING ALL OF THAT CERTAIN TRACT OF LAND AS IS SHOWN ON THE PUD SITE PLAN FOR WALMART SUPERCENTER, SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS. (Recorded in Ordinance Book)

PUBLIC HEARING Z-1809 TO ESTABLISH PUD ZONING AND A CONDITIONAL USE PERMIT GENERAL DEVELOPMENT PLAN FOR A PROPOSED HOTEL AND

CONFERENCE CENTER (SEVEN HILLS RESORT AND CONFERENCE CENTER) ON APPROX. 22.03 ACRES LOCATED AT THE INTERSECTION OF US HWY 87 N AND US HWY 290 W-

It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to recess the regular session and open the Public Hearing Z-1809 to establish PUD Zoning and a Conditional Use Permit General Development Plan for a Proposed Hotel and Conference Center (Seven Hills Resort And Conference Center) on approx. 22.03 acres located at the Intersection of US Hwy 87 N and US Hwy 290 W. All voted in favor and the motion carried.

No comments were received; it was moved by Council Member Kiehne, seconded by Council Member Luckenbach, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

REQUEST Z-1809 – It was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to approve Z-1809 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Musselman, Kiehne, and Luckenbach; NAY: None. Motion carried.

PUBLIC HEARING ON THE PROPOSED 2019 CITY BUDGET – It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to recess the regular session and open the Public Hearing on the Proposed 2019 City Budget. All voted in favor and the motion carried.

Citizen Mo Saiide expressed his concerns; no other comments were received.

It was moved by Council Member Neffendorf, seconded by Council Member Musselman, to adjourn the public hearing and reconvene the regular session. All voted in favor and the motion carried.

EFFECTIVE TAX RATE – It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the Effective Tax Rate of \$ 0.2167. The vote was as follows: AYE: Langerhans, Neffendorf, Musselman, Kiehne, and Luckenbach; NAY: None. Motion carried.

PROPOSED TAX RATE – It was moved by Council Member Luckenbach, seconded by Council Member Kiehne, to approve the proposed property tax rate of \$0.2283, a rate that is 5.4% above the effective tax rate of \$0.2167, as presented. The vote was as follows: AYE: Langerhans, Kiehne, and Luckenbach; NAY: Neffendorf, and Musselman. Motion carried.

ORDINANCE PROVIDING FOR THE ABANDONMENT, VACATION AND CLOSURE OF EAST STREET – It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to adopt an Ordinance providing for the Abandonment, Vacation and Closure of East Street. All voted in favor and the motion carried.

ORDINANCE NO. 28-010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, PROVIDING FOR THE ABANDONMENT, VACATION AND CLOSURE OF EAST STREET; PROVIDING FOR THE TERMS AND CONDITIONS OF ABANDONMENT, VACATION AND CLOSURE; AND AUTHORIZING THE CITY

MANAGER TO EXECUTE A DEED ON BEHALF OF THE CITY. (Recorded in Ordinance Book)

REQUEST FOR STREET CLOSURE FOR BEST FEST 2018 – It was moved by Council Member Luckenbach, seconded by Council Member Musselman, to approve the request for a street closure for Best Fest 2018. The vote was as follows: AYE: Langerhans, Musselman, Kiehne, and Luckenbach; NAY: Neffendorf. Motion carried.

CITY MANAGER'S REPORT - City Manager's Report included: (1) City Council Retreat, (2) Golf Course Update, (3) Utility Bond Project, and (4) Historic Resources Survey/

FUTURE AGENDA ITEMS - Council discussed future agenda items.

COUNCIL COMMENTS – Charlie Kiehne encouraged people to be mentoring volunteers at FISH, Jerry Luckenbach reported on the Airport Board.

With no further discussion, Council Member Neffendorf made a motion to adjourn the meeting at 9:01 PM. Council Member Musselman seconded the motion. Motion carried.

PASSED AND APPROVED this the 17th day of September, 2018.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR



CITY COUNCIL MEMO

DATE: September 11, 2018

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: : Public hearing to Change the zoning from R-2, Mixed Residential to C-1 Neighborhood Commercial, and change the Land Use Plan from Medium Density Residential to Commercial on approximately 10 acres on Friendship Lane, east of S. Washington Street)

Summary:

The property is currently vacant undeveloped land located on the north side of Friendship Lane, approximately 650' east of S. Washington Street. Jennifer Schandua and Stuart Barron who have approximately 2.44 acres of the total 10 acres, filed an application to rezone their property to C-2 for the purpose of developing a commercial center, along with condos and townhomes.. The remaining owners are Barbara Heinen and Penjay Properties Inc., who were not part of the original application and would rather be zoned C-1 rather than C-2. The Planning and Zoning Commission voted to include the entire 10 acres in the consideration.

Recommendation:

Although the request was originally for C-2 zoning, the Commission voted to change the zoning from R-2 Mixed residential to C-1 Neighborhood Commercial. There was one nearby property owner who opposed the request.

Background / Analysis:

The City of Fredericksburg

10

Land uses surrounding this property include medical offices and a car wash to the west, commercial uses to the north, undeveloped land owned by the City to the east, and a hotel to the south. Surrounding zoning is C-2 to the west, north and south, and R-1 to the east. The Land Use Plan identifies the area at the intersection of S. Washington Street and Friendship Lane as a Commercial Center. The designation does include a portion of the subject property. The remaining portion of the property is designated as Medium Density Residential (see the attached Land Use Plan).

Attachments:

Zoning Brief, Maps of Area, Land Use Plan, Zoning Map



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

LAND USE PLAN AND ZONING CHANGE BRIEF

Rezoning Request # Z-1812

<u>APPLICANT:</u>	Stuart Barron and Jennifer Schandua, City of Fredericksburg
<u>LOCATION:</u>	North side of Friendship Lane, approximately 650' east of S. Washington Street.
<u>SIZE:</u>	Approximately 10 acres
<u>EXISTING ZONING:</u>	R-2 Mixed Residential.
<u>LAND USE PLAN:</u>	Commercial Center/Medium Density Residential
<u>PROPOSED CHANGE:</u>	Change in zoning from R-2, Mixed Residential to C-2 Commercial, and change the Land Use Plan from Medium Density Residential to Commercial.

UPDATED INFORMATION: At the July meeting, the Commission voted to direct staff to call a public hearing on the remaining property in the vicinity to consider changing the Land Use Plan to Commercial and the zoning from R-2 Mixed Residential to C-2 Commercial. The overall property consists of three separate owners, including Barbara Heinen, Stuart Barron and Jennifer Schandua and Penjay Properties Inc.

FINDINGS:

- The property is currently vacant undeveloped land located on the north side of Friendship Lane approximately 650' east of S. Washington Street.
- The applicant's, who have approximately 2.44 acres of the property, intend to rezone the property for the purpose of developing a commercial center.
- Land uses surrounding this property include medical offices and a car wash to the west, commercial uses to the north, undeveloped land owned by the City to the east, and a hotel to the south.
- Surrounding zoning is C-2 to the west, north and south, and R-1 to the east.
- The Land Use Plan identifies the area at the intersection of S. Washington Street and Friendship Lane as a Commercial Center. The designation does include a portion of the subject property. The remaining portion of the property is designated as Medium Density Residential (see the attached Land Use Plan).

LAND USE PLAN: The Commercial Centers are located at the intersection of two-existing or planned major arterials. They are intended to include community and regional serving shopping centers and malls. Some office or service uses may also locate here. Residential or hospitality uses may also be considered if they can be included in a

compatible way. For new centers, the design should reduce the need for multiple automobile trips between stores.

The Medium Density Residential category includes single family detached dwellings on smaller lots and attached dwelling units, such as duplex units and townhomes. Medium density land uses often provide housing for “empty nesters” who may not want the maintenance of a large lot single family home, and for young families who may find a townhome or duplex more affordable than a single family home. They play an important role in providing workforce housing as well. These residential uses can provide a buffer between lower density residential areas and more intensive residential, non-residential or mixed use areas. An average of 8 dwelling units per gross acre is assumed for these areas.

ZONING: The original applicant’s (Stuart Barron and Jennifer Schandua) are proposing to change the zoning to C-2, Commercial. In doing so, they have stated they intend to develop the property as commercial on a portion, and condos/townhomes on the remainder. No definitive uses have been determined at this time. The other owners (Penjay Properties Inc. and Barbara Heinen) have not indicated any desire to develop their respective properties. Ms. Heinen has provided an email indicating that she is opposed to C-2 Commercial zoning, but accepting of a C-1 Neighborhood Commercial designation. An owner representing Penjay Properties Inc. spoke at the meeting and stated they were in favor of C-1 and not C-2. As is the case in all zoning requests, the Commission should consider all potential uses permissible within the proposed C-2 District (listing attached). By including the other properties in this request, the subject approximate 10 acres is now contiguous to C-2 on the west, north and south sides. So, if this property were to be changed to C-2, the commercial zoning would essentially be extended eastward to the line established to the north and south. It should be noted that the City’s property to the east of the subject property is intended for a park.

OPPOSITION/SUPPORT OF REQUEST: The owner of the Fairfield Inn and Suites spoke in opposition to the request for C-2 zoning.

PLANNING AND ZONING COMMISSION RECOMMENDATION: The Commission voted 8-1 in favor of recommending that the Land Use Plan be changed from Medium Density Residential to Commercial and the zoning be changed from R-2 Mixed Residential to C-1 Neighborhood Commercial, rather than C-2, Commercial.

STAFF RECOMMENDATION: Based on the Land Use Plan designation, this property falls within the Commercial Center Designation and the Medium Density Residential Category. Obviously, the circle represented by the Commercial Center on the Land Use Map does not follow property lines, so action should be considered on a case by case basis, such as this request. Given the adjoining C-2 zoning surrounding this property to the west, north and south, it would seem reasonable to change the subject property as well. Even though there is no other C-1 zoning in the vicinity, the fact that there is commercial zoning adjoining this property would seem to eliminate the spot zoning in this scenario. Staff concurs with the Commission’s recommendation.

Brian Jordan

From: rheinen@austin.rr.com
Sent: Wednesday, August 22, 2018 12:13 PM
To: Brian Jordan
Subject: RE: property

Is this sufficient for the meeting ?

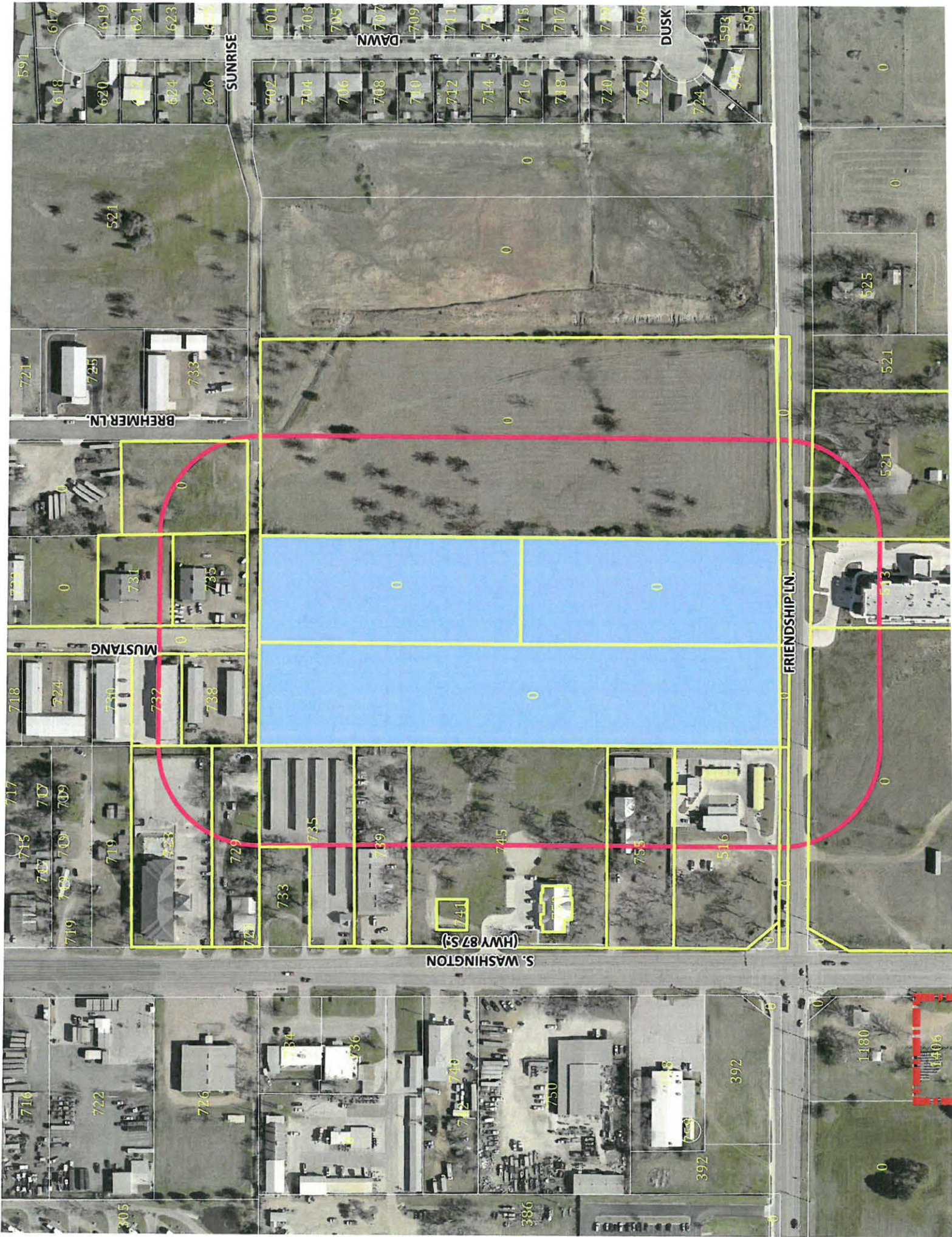
Subject: property

Knowing I was going to be out of the state and unable to attend the meeting relating to the property on Friendship Lane I went to visit Bryan Jordon about the situation.

At the present time I do not have any plans to develop my property. Not knowing my plans or the future plans of the properties to the east and west of my property I need to be proactive. I am willing to compromise and accept C1 rezoning, but I am against a C2 zoning at this time.

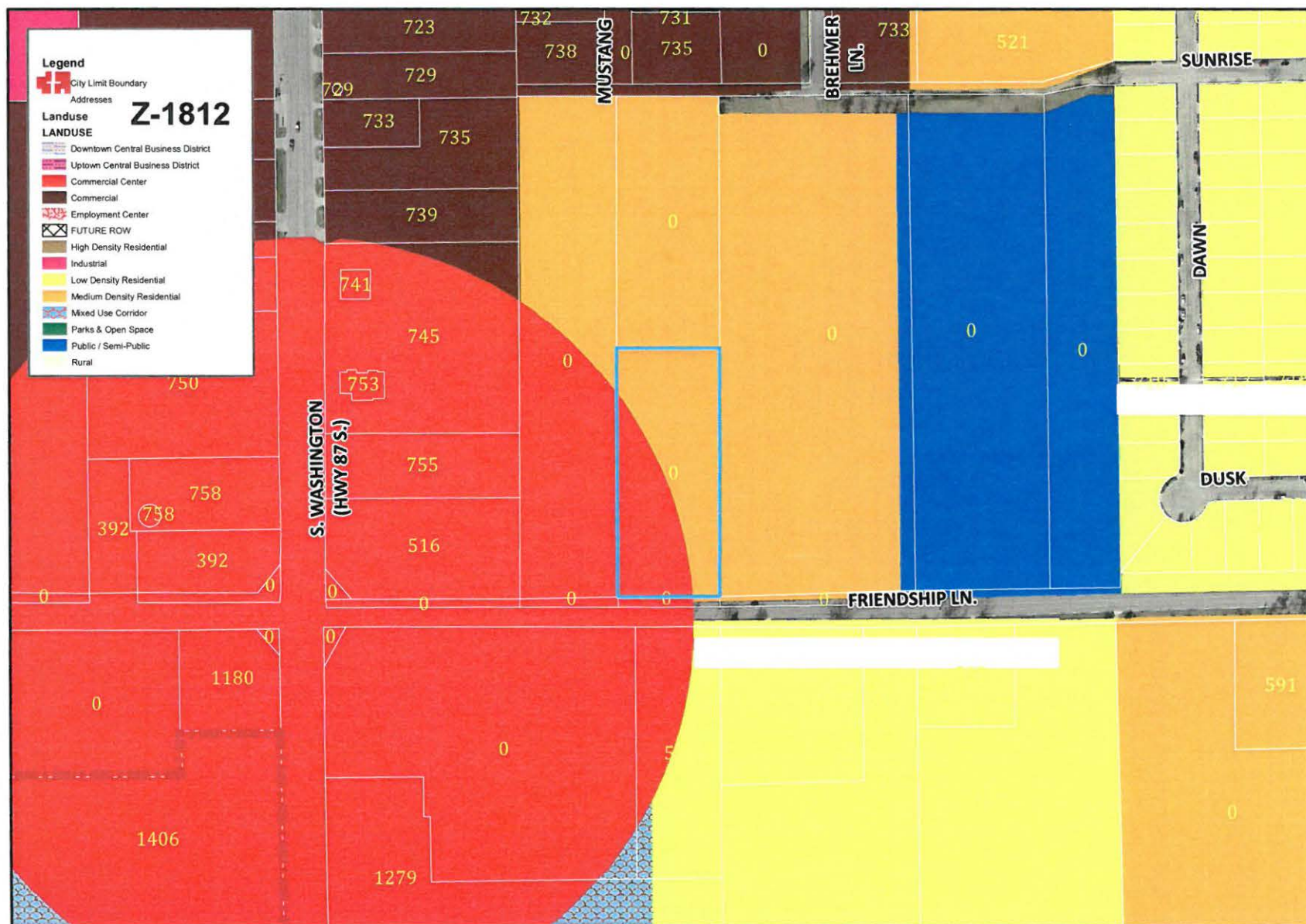
Thank you.

Barbara Heinen

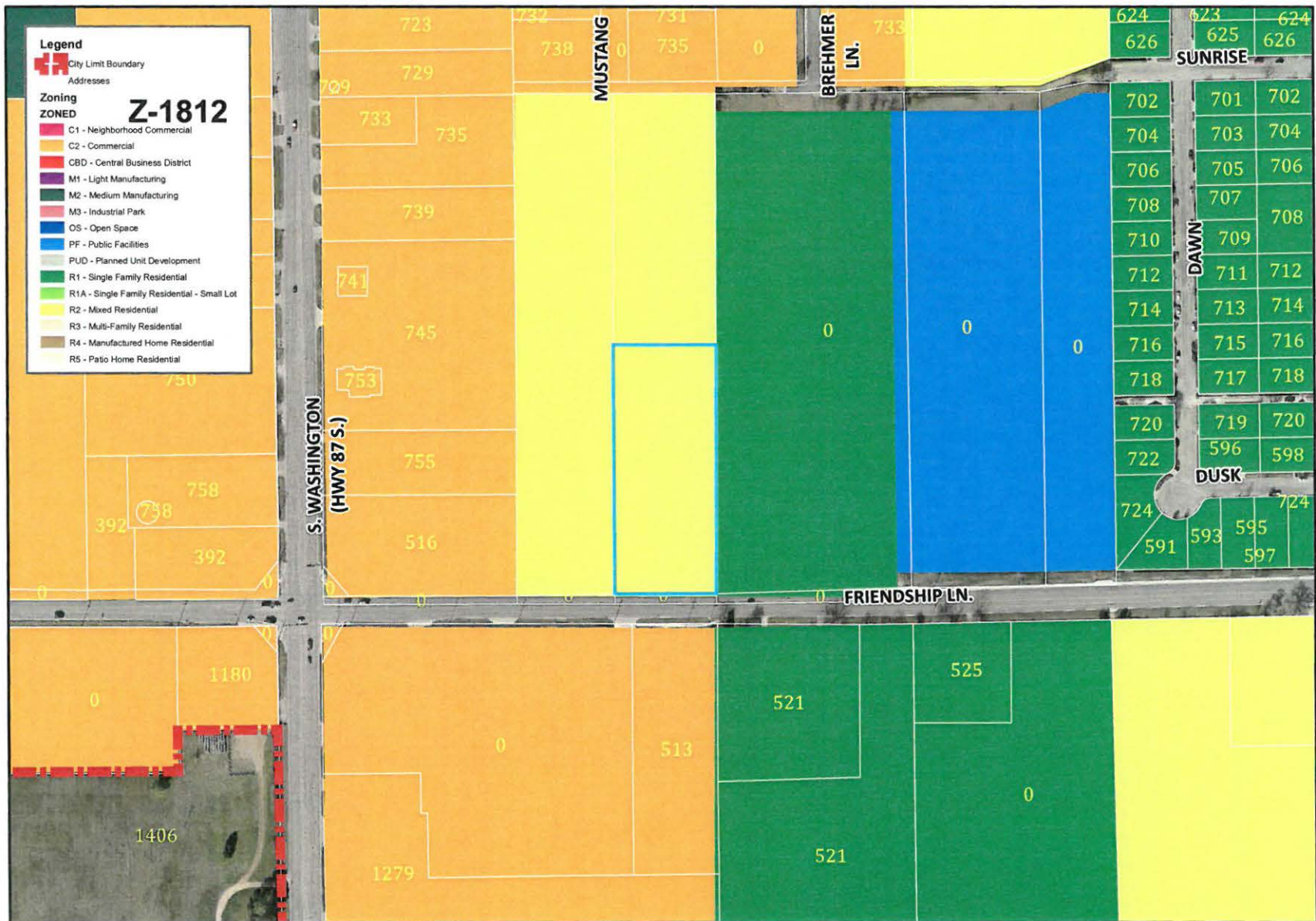


Letter	Owner	Address
A	CITY OF FREDERICKSBURG	126 W. MAIN FREDERICKSBURG, TX 78624
B	VINAY PATEL	109 EAST 15TH ST SHAMROCK, TX
C	NEW FREDERICKSBURG PROPERTIES	P.O BOX 279 SHAMROCK, TX
D	MCLANE GROUP PROPERITES LLC	P.O. BOX 549 TEMPLE, TX
E	FREDERICKSBURG INVESTCO LLC	510 E. HIGHWAY ST FREDERICKSBURG, TX 78624
F	DR. MARTHA WALTON	755 S. WASHINGTON ST FREDERICKSBURG, TX 78624
G	S CHORD LLC	114 E. AUSTIN FREDERICKSBURG, TX 78624
H	BRUCE KNEESE	189 UPPER LIVEOAK RD FREDERICKSBURG, TX 78624
I	TREIBS ENTERPRISES LTD	P.O BOX 1145 FREDERICKSBURG, TX 78624
J	ELGIN DODD TRUST	P.O . BOX 630676 LITTLETON, CO
K	RREP LTD	1901 ACACIA LEAGUE CITY, TX
L	MARTIN RAMOS	614 COURTNEY ST FREDERICKSBURG, TX 78624
M	BBR MUSTANG LLC	105 W. SAN ANTONIO FREDERICKSBURG, TX 78624
N	SCHNEIDER'S DEER PROCESSING LLC	P.O. BOX 1681 FREDERICKSBURG, TX 78624
O	BBR MUSTANG LLC	105 W. SAN ANTONIO FREDERICKSBURG, TX 78624
P	TERRY & SHERYL HARTCRAFT	P.O. BOX 2446 FREDERICKSBURG, TX 78624
		Z-1812

VIN



(8)



Sec. 3.200. - C-1: NEIGHBORHOOD COMMERCIAL.

⋮

Intent

This zone is intended to provide for the establishment of restricted commercial facilities, to serve the conveniences and needs of the immediate neighborhood and must be compatible with the residential character and environment of the neighborhood. These uses generally result in limited traffic generation.

Principal Permitted Uses

Building, structures and lands shall be used, and buildings and structures shall hereinafter be erected, altered or enlarged only for the following uses as the City Council, by resolution, may deem to be similar to those uses listed and not obnoxious or detrimental to the public health, safety and welfare:

Administrative and Business Office
Convalescent Services
Cultural Services
Day Care Services
Group Residential
Local Utility Services
Medical Services
Multiple Family Residential
Personal Services

Private Primary Educational Services
Private Secondary Educational Facilities
Professional Office
Religious Assembly
Single Family Residential (detached) if structure was not used as other than residential in its most recent use

Uses Permitted Subject to Conditional Use Permit

The following uses may be permitted subject to a Conditional Use Permit as provided for in section 5.400.

Arts and Crafts
Automotive Washing
Building Maintenance Services
Business School
Business Support Services
Club or Lodge
Communication Services
Condominium Residential (section <u>7.610</u>)
Consumer Repair Services

Convenience Storage
Convenience Store/Self Serve Gasoline
Duplex Residential
Food Sales
Guidance Services
Laundry Services
Limited Retail Sales
Liquor Sales
Personal Improvement Services
Pet Services
Restaurant - Limited
Single Family Residential (detached)- new construction or after cessation of use other than residential
Townhouse Residential Drive through Facilities Associated with any use

Uses permitted with a Bed and Breakfast Compliance Use Permit:

Bed and Breakfast

Conditions under which a permit will be issued:

-Compliance with provisions of section 5.401, and

- Any structure which exists as of September 1, 2013 may be used as a Bed and Breakfast whether or not owner-occupied, and
- Additions or new construction, taking into consideration any existing structures, shall comply with other requirements of C-1
- One off street parking space for each Bed and Breakfast unit in addition to those required for other uses
- Lots may not be combined to permit more than eight separate lodging units on contiguous property regardless of density regulations
- Compliance with other C-1 regulations.

Property Development Standards

Except as hereinafter provided, no building or structure or part thereof shall be erected, altered or converted for any use permitted in this district unless it is in conformity with all the standards and regulations herein specified for lot area, lot width, lot depth, dwelling unit area, lot coverage, yards and building height. The following standards shall apply except in cases where a lot does not meet the standards herein required but was an official "lot of record" prior to the adoption of this ordinance. In such cases, the present dimension shall be maintained as a minimum standard until such time as the use is removed. The replacement shall meet the standards and regulations herein specified.

Sec. 3.210. - C-2: COMMERCIAL.

⋮

Intent

This zone is intended to provide for businesses and services that serve persons throughout the city and the area. These uses generally require frontages on major cross street intersections of highways or other major arterial, given their high visibility and traffic generation ability.

Principal Permitted Uses

Administrative and Business Office
Agricultural Sales and Services
Arts and Crafts
Automotive Rentals
Automotive Repair Services
Automotive Sales
Automotive Washing
Building Maintenance Services
Business or Trade School
Business Support Services
Club or Lodge
Cocktail Lounge

Commercial Off-Street Parking
Communication Services
Construction Sales and Services
Consumer Convenience Services
Consumer Repair Services
Convalescent Services
Convenience Store/Self Serve Gas.
Cultural Services
Custom Manufacturing
Day Care Services
Equipment Repair Services
Equipment Sales
Exterminating Services
Financial Services
Food Sales
Funeral Services
Group Residential
Single Family Residential (detached) if structure was not used as other than residential in its most recent use

General Retail Sales
Guidance Services
Hotel/Motel
Horticulture
Hospital Services (Limited)
Indoor Entertainment
Indoor Sports and Recreation
Kennels
Laundry Services
Liquor Sales
Local Utility Services
Maintenance and Service Facilities
Medical Offices
Mobile Food Establishments, but not in any right-of-way or public easement
Multiple Family Residential
Outdoor Entertainment
Outdoor Sports and Recreation
Pawn Shop Services

Personal Improvement Services
Personal Services
Pet Services
Private Primary Educational Facilities
Private Secondary Educational Facilities
Professional Offices
Religious Assembly
Research Services
Restaurant - Drive-In/Fast Food
Restaurant
Service Station
Veterinary Services

Buildings, structures and lands shall be used, and buildings and structures shall hereinafter be erected, altered or enlarged only for the following uses, plus such other uses as the City Council, by resolution, may deem to be similar to those uses listed and not obnoxious or detrimental to the public health, safety and welfare.

Uses Permitted Subject to Conditional Use Permit

The following uses may be permitted subject to a Conditional Use Permit as provided for in section 5.400.

Camp Grounds
Convenience Storage
Drive through facilities associated with any use
Single Family Residential (detached)- new construction or after cessation of use other than residential
Duplex Residential Condominium Residential(section <u>7.610</u>)
Single Family Residential (Detached)
Townhouse Residential (section <u>7.610</u>)
Transportation Terminals

Uses permitted with a Bed and Breakfast Compliance Use Permit:

Bed and Breakfast

Conditions under which a permit will be issued:

- Compliance with provisions of section 5.401, and
- One off street parking space for each Bed and Breakfast unit in addition to those required for other uses
- Compliance with other C-2 regulations

Property Development Regulations

Except as hereinafter provided, no building or structure or part thereof shall be erected, altered or converted for any use permitted in this district unless it is in conformity with all the standards and regulations herein specified for lot area, lot

width, lot depth, dwelling unit area, lot coverage, yards and building height. The following standards shall apply except in cases where a lot does not meet the following standards herein required but was an official "lot of record" prior to the adoption of this ordinance. In such cases, the present dimension shall be maintained as a minimum standard until such time as the use is removed. The replacement shall meet the standards and regulations herein specified.



CITY COUNCIL MEMO

DATE: September 11, 2018

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: Consider the Ordinance for the Closure of North Street Right-of-Way between Highway Street and East Street Right-of-Way.

Summary:

The Right-of-Way in question was originally platted as part of the Dechert Addition Plat), along with East Street. The subject Right-of-ways were outside the city limits at the time, and neither of the streets were ever built. A portion of East Street has been abandoned previously, and the remaining portion is being abandoned as part of the Jeff Williams project. There are three adjoining owners to the street, each of which have signed the petition for closure of the street

Recommendation:

The City Council voted to approve the petition to abandon North Street on August 6, 2019. Approval of the Ordinance is recommended.

Background / Analysis:

Since the development patterns in the area have changed, and the adjoining tracts now have access and frontage on another existing or proposed street, we do not believe it is necessary to retain this right-of-way.

The City of Fredericksburg

29

Attachments:

Survey, Ordinance



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

30

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

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, PROVIDING FOR THE ABANDONMENT, VACATION AND CLOSURE OF NORTH STREET; PROVIDING FOR THE TERMS AND CONDITIONS OF ABANDONMENT, VACATION AND CLOSURE; AND AUTHORIZING THE CITY MANAGER TO EXECUTE A DEED ON BEHALF OF THE CITY.

WHEREAS, the City Council deems it suitable to abandon, vacate and close the hereinafter described street segment, and is of the opinion that said land is not needed for public use and therefore constitutes a public burden without corresponding benefit, and that same should be abandoned, vacated and closed as hereinafter provided; and

WHEREAS, the City Council is of the opinion that the best interest and welfare of the public will be served by abandoning, vacating and closing same resulting in the vesting of title in the abutting property owners, subject to the conditions, requirements and restrictions contained herein.

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

Section 1. That a portion of North Street, located in the City of Fredericksburg, Gillespie County, Texas, which street segment is described more particularly in Exhibit "A", a copy of which is attached hereto and incorporated herein by reference, shall be and the same is hereby abandoned, vacated and closed insofar as the right, title and easement of the public is concerned; subject, however, to the conditions, requirements and restrictions more fully set out herein.

Section 2. That the abandonment, vacation and closure of North Street provided for herein is made and accepted subject to all present zoning and deed restrictions if the latter exist, and all easements, whether apparent or non-apparent, aerial, surface or underground, and reserving any utility easements of a size, location, and purpose necessary to meet the City's operational needs.

Section 3. That the abandonment, vacation and closure of North Street provided for herein shall extend only to the City's public right, title, easement and interest, and shall be construed to extend only to that interest which the City may legally and lawfully abandon, vacate and close.

Section 4. That the abandonment, vacation and closure of North Street provided for herein shall be effected through quit claim deed or other separate instrument recorded in the real

property records of Gillespie County, Texas, conveying the City's public interest in North Street unto the owners of the property adjacent to said street, in equal portions, as follows:

1. the 0.189 acre tract on the eastern half of the North Street public street right-of-way, described more particularly in Exhibit "A", to the owner(s) of the lot abutting said eastern half of the North Street, for the distance each lot abuts a portion of said right-of-way; and
2. the 0.190 acre tract and 0.100 acre tract on the western half of the North Street public street right-of-way, described more particularly in Exhibit "A", to the owner(s) of those lots abutting said western half of the North Street, for the distance each lot abuts a portion of said right-of-way; and
3. subject to all present zoning and deed restrictions, all easements whether apparent or non-apparent, and reserving any utility easements of a size, location, and purpose necessary to meet the City's operational needs.

Section 5. That the City Manager is hereby authorized to execute and deliver quit claim deed or other separate instrument, on behalf the City, conveying the City's public interest in North Street unto the owners of the property adjacent to said street, in equal portions, as set forth herein.

Section 6. Severability or Invalidity. If any provision of this Ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this Ordinance are declared to be severable.

Section 7. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 8. Effective Date. This Ordinance shall be effective on and after the date of passage.

PASSED AND APPROVED on this the ____ day of _____, 20____.

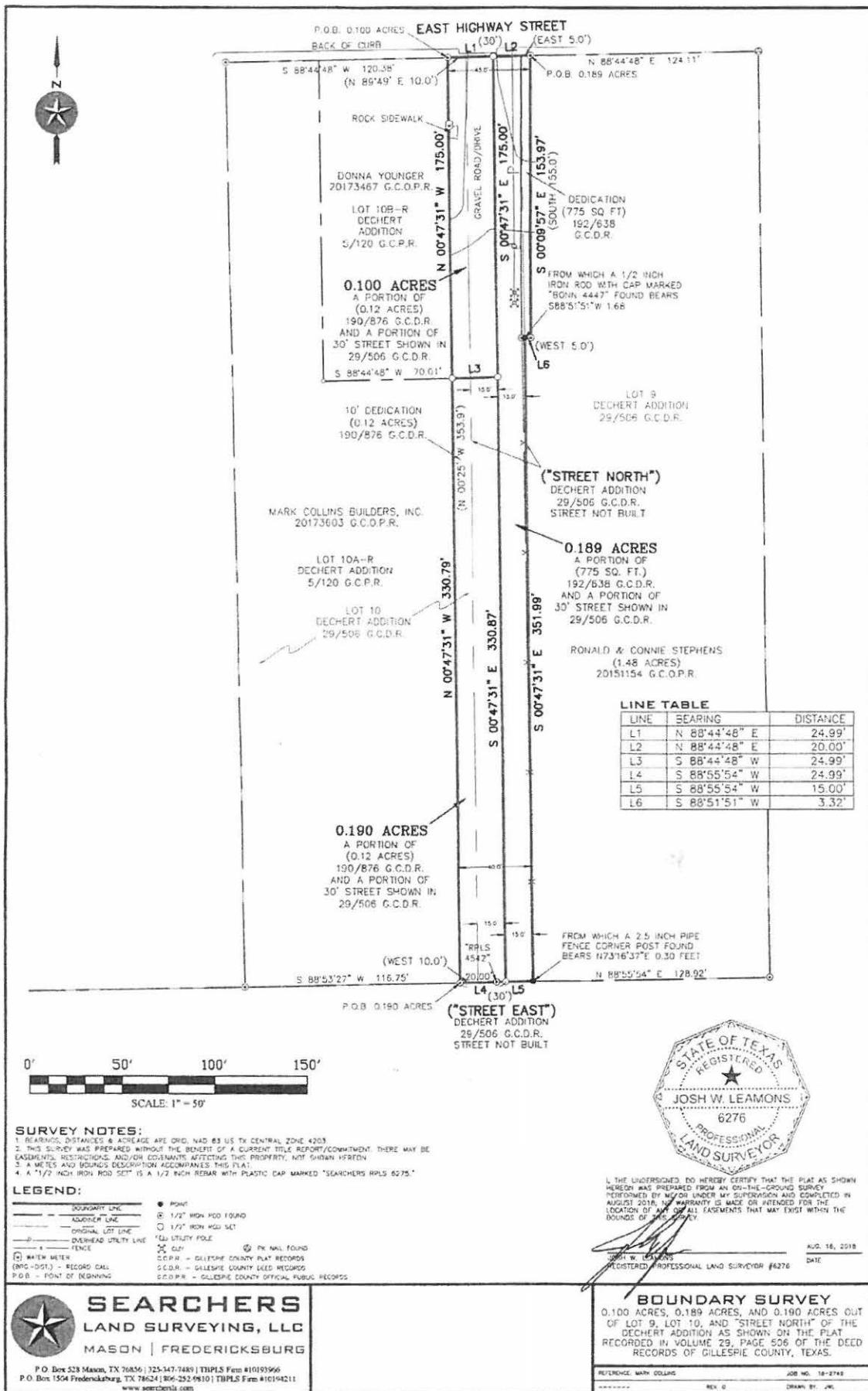
Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Britton, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney





CITY COUNCIL MEMO

DATE: September 10, 2018

TO: Mayor and City Council Members

FROM: Lynn Bizzell

SUBJECT: Emergency Medical Service Fees

Summary:

The Fredericksburg Fire EMS currently charge for EMS Transports. The Mayor and City Council last reviewed these charges in 2011. Due to the increase in cost delivery of our service, staff has proposed an increase in the fees. Due to the increased cost of medications we are also proposing an additional charge for medications administered to patients during calls.

Recommendation:

Attached is the proposed increase in fees for Mayor and City Council consideration including an additional charge for medications administered. Recommend approval.

Background / Analysis:

The attached survey shows five area EMS providers and their fees. The proposed new fee schedule shows the comparison to other EMS providers and Fredericksburg Fire EMS proposed increase. Due to the increased cost of medications we are also proposing an additional charge for medications administered to patients during calls. Four of the five EMS providers surveyed charge for medications administered.

Attachments:

The City of Fredericksburg

35

Please see attached fee survey, proposed medication charges, and Ordinance amending EMS fees.

Department Approval

City Manager Approval

A handwritten signature in blue ink, appearing to be 'J. J. ...', is written over the 'City Manager Approval' line.

City Attorney Approval

The City of Fredericksburg

34

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

Fee Survey

Service Name	Mileage	BLS Non Emer	BLS Emer	ALS1	ALS2	Aid Only	Dedicated Stand By
Current Fredericksburg Fire & Ems Fees	\$ 17.00	\$ 700.00	\$ 800.00	\$ 900.00	\$ 1,100.00	\$ 150.00	\$100.00/Hr
Proposed New Fee Schedule	\$ 18.50	\$ 800.00	\$ 850.00	\$ 950.00	\$ 1,200.00	\$ 150.00	\$100.00/Hr
Comparable Fees from other jurisdictions							
Kendall Co EMS	\$ 15.00	\$ 787.00	\$ 787.00	\$ 855.00	\$ 900.00	\$ 150.00	\$105.00/Hr
Marble Falls EMS	\$ 18.00	\$ 825.00	\$ 825.00	\$ 895.00	\$ 935.00	\$ 150.00	
North Blanco County	\$ 20.77	\$ 607.00	\$ 805.00	\$ 962.00	\$ 1,164.00	\$154.50	\$75.00/Hr
Bandera County	\$ 18.75	\$ 900.00	\$ 900.00	\$ 975.00	\$ 1,750.00	\$250	\$125.00/ Hr
New Braunfels FD		\$787.00	\$787.00	\$855.00	\$900.00	\$325.00	
Llano County							
Kerrville FD	\$22.00	\$430.00	\$687.00	\$837.00	\$1,181.00	\$195.00	\$100.00/Hr
Proposed new fees							

Mileage	Is One way loaded mileage when the patient is being transported to the Hospital
BLS Non Emergency	Is Basic Life Support Non Emergency Transport
BLS Emergency	Is Basic Life Support Emergency Transport
ALS1	Is Advanced Life Support Emergency Transport
ALS2	Is Advanced Life Support Emergency Transport with multiple Medications/Interventions
Aid Only	Is Multiple Aid to the same patient without Transport 0 to 5 times No Charge 5 to 10 times \$90.00 / 10 to 20 times \$180.00 / Over 20 times \$250.00
Dedicated Stand By	Is when a special Event would want a staffed ambulance (Private function or for Profit)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING SECTION 22.101 OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO UPDATE AND AMEND THE FEES FOR SERVICES RENDERED BY THE CITY'S EMERGENCY MEDICAL SERVICES (“EMS”).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That, Section 22.101, entitled “Charges for using services”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by deletion of Section 22.101 in its entirety, and the following substituted therefore:

Sec. 22.101. – Fees and Charges for Emergency Medical Services.

The fees and charges to the person or entity utilizing or receiving services rendered by the City's Emergency Medical Services (“EMS”) are as follows:

- (A) Basic Life Support, Non-Emergency (BLSN). Transportation by emergency medical technicians when no drugs or oxygen is administered: \$800.00.
- (B) Basic Life Support Emergency (BLSE). Transportation by emergency medical technicians when no drugs are administered. Oxygen may be administered: \$850.00.
- (C) Advanced Life Support Emergency (ALS-1). Transportation by paramedics when no drugs are administered. Oxygen may be administered and monitors may be used and an IV solution may be started: \$950.00.
- (D) Advanced Life Support Emergency, Major Trauma (ALS-2). Transportation by paramedics when at least one invasive procedure is administered (examples: defibrillation or cardiac pacing) and when at least one drug other than an IV solution is administered: \$1,200.00.
- (E) Aid only. City EMS is dispatched to a patient, but provides no patient transportation:
 - 1-5 calls dispatched to provide services to the same person within any twelve (12) month period: no charge.
 - 6-10 calls dispatched to provide services to the same person within any twelve (12) month period: \$90.00 per EMS response.
 - 11-20 calls dispatched to provide services to the same person within any twelve (12) month period: \$180.00 per EMS response.
 - 21 or more calls dispatched to provide services to the same person within any twelve (12) month period: \$250.00 per EMS response.
- (F) Mileage. \$18.50 per loaded mile. This transportation charge shall be in addition to any other charges or fees set forth in this Section 22.101.

(G) Dedicated Standby. City EMS provides staffed ambulance for on premises standby at a private or for-profit special event. \$100.00 per hour. This charge shall be in addition to any other charges or fees set forth in this Section 22.101.

(H) A Medical Records Fee in the amount of \$45.00 shall be collected in advance of the issuance of any medical records.

(I) Medications and Supplies. Drugs administered by EMS to patients and disposable medical supplies utilized by EMS in treatment of patients shall be charged at the "list price" included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or vendor, and states prices at which sales are currently available, or were last made available to the City. This charge shall be in addition to any other charges or fees set forth in this Section 22.101.

(J) The Fire Chief, or his or her designee, shall determine which of the above rate categories apply to the services rendered by the City's Emergency Medical Services. The Fire Chief, or his or her designee, is hereby authorized to make any judgments with regard to per procedure cost in the application of the above rates, and his or her decision is conclusive.

{End of code text}

Section 2. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 3. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 4. Effective Date. This Ordinance shall be effective on and after the 1st day of October, 2018.

PASSED AND APPROVED on this the ____ day of September, 2018.

Linda Langerhans, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Britton, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: September 17, 2018

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Adoption of FY 2019 City Budget

Summary:

Following six City Council budget work sessions and the required public hearing held on August 20, the FY 2019 City Budget is being presented for adoption.

Recommendation:

The FY 2019 City Budget, which includes changes approved by the City Council at Monday's Council meeting, is recommended for adoption.

Background / Analysis:

Over the course of the last ten weeks we have had a number of budget work sessions and a public hearing was held on August 20 to discuss the proposed FY 2019 City Budget. This budget process has been productive with the City Council adding a number of changes to the Budget. As a result, this final budget addresses the policy goals of the City Council. This funding will allow us to continue to improve basic services, upgrade critical infrastructure and offer a continued high quality of life for our citizens.

All of the previous changes to the proposed budget that were approved by the City Council were included in the revised budget that was presented to the City Council on August 20. At Monday's Council meeting,

The City of Fredericksburg

41

we need for the Council to discuss and approve the final changes to the budget prior to adoption. This includes the following four budget items:

1. Repairs to City-owned property on Austin Street.

We were finally able to get a bid price for these improvements at a total cost of \$36,760. If we want to proceed with these improvements, the Council should include this expense in next year's Budget. It is recommended that these improvements be funded in the Tourism Fund since the work represents restoration of a historic building and the Art Guild attracts out-of-town visitors.

2. Changes to the Drainage Fund

These changes, which are shown in the attached report, were discussed at the last City Council meeting. It involves the addition of three vegetation management employees to start the program around the first of the year.

3. Changes in funding for County services

Last Friday the County provided us with revised budget numbers. It is recommended that these changes, shown on the attached report, be included in the City Budget.

4. Changes in revenues for City property taxes

If the Council wants to reduce the tax rate from the rollback rate, we will need to adjust the revenues for property taxes in next year's budget. The impact from this rate reduction is included with the agenda item on property taxes.

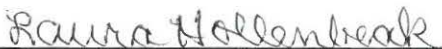
Attachments:

FY 2019 Proposed Budget Summary Based Upon Two Options

Proposed Changes to Drainage Fund

Proposed Changes to Funding For County Services

Ordinance Adopting and Approving the Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019.



Department Approval



City Manager Approval

The City of Fredericksburg

42



FY 2019 Budgeted Revenues vs Budgeted Expenditures	FY 2019 Budgeted Revenues	FY 2019 Budgeted Expenditures	Revenues in Excess (Deficiency) of Expenditures
Governmental Funds			
Administrative	12,480,027	2,146,708	10,333,319
Police	166,500	5,148,146	(4,981,646)
Fire	642,567	1,385,634	(743,067)
Street	41,000	2,680,114	(2,639,114)
Park	761,800	2,447,369	(1,685,569)
Development Services	338,100	750,117	(412,017)
Health	159,474	215,247	(55,773)
Municipal Court	69,000	181,037	(112,037)
Engineering	-	263,843	(263,843)
Sub-total	14,658,468	15,218,215	(559,747)
Food & Wine Fest	169,175	181,040	(11,865)
Total Governmental Funds	14,827,643	15,399,255	(571,612)
Special Revenue Funds			
Tourism	3,309,500	3,201,014	108,486
Police Forfeiture	2,100	-	2,100
Emergency Management	186,024	186,023	1
Total Special Revenue Funds	3,497,624	3,387,037	110,587
Enterprise Funds			
Electric	12,069,600	12,602,650	(533,050)
Water & Sewer	8,341,560	9,634,652	(1,293,092)
Golf	145,938	145,938	-
Solid Waste	2,679,675	2,783,118	(103,443)
EMS	2,718,999	2,718,999	-
Drainage / Vegetation Mgt	524,410	525,020	(610)
Total Enterprise Funds	26,480,182	28,410,377	(1,930,195)
Capital Project Fund			
Water & Wastewater	18,500,000	18,384,200	115,800
Total Capital Project Fund			
Internal Service Funds			
Health Insurance	1,858,869	2,069,000	(210,131)
Total Internal Service Funds			
Debt Service	697,550	876,100	(178,550)
Total All Funds	65,861,868	68,525,969	(2,664,101)

*\$570,375 Park Expenditures funded with proceeds from land sale to County

*\$2,540,000 Water & Sewer Expenditures funded with W&S Impact Fee Reserves

City of Fredericksburg

2019 Budget

Includes Art Guild, County & Vegetation Mgt Budget Changes



FY 2019 Budgeted Revenues vs Budgeted Expenditures	FY 2019 Budgeted Revenues	FY 2019 Budgeted Expenditures	Revenues in Excess (Deficiency) of Expenditures
Governmental Funds			
Administrative	12,480,027	2,153,319	10,326,708
Police	166,500	5,218,180	(5,051,680)
Fire	638,492	1,386,836	(748,344)
Street	41,000	2,680,114	(2,639,114)
Park	761,800	2,442,369	(1,680,569)
Development Services	338,100	750,117	(412,017)
Health	159,474	215,247	(55,773)
Municipal Court	69,000	181,037	(112,037)
Engineering	-	263,843	(263,843)
Sub-total	14,654,393	15,291,062	(636,669)
Food & Wine Fest	169,175	181,040	(11,865)
Total Governmental Funds	14,823,568	15,472,102	(648,534)
Special Revenue Funds			
Tourism	3,309,500	3,237,774	71,726
Police Forfeiture	2,100	-	2,100
Emergency Management	186,024	186,023	1
Total Special Revenue Funds	3,497,624	3,423,797	73,827
Enterprise Funds			
Electric	12,069,600	12,597,804	(528,204)
Water & Sewer	8,341,560	9,635,253	(1,293,693)
Golf	145,938	145,938	-
Solid Waste	2,679,675	2,783,118	(103,443)
EMS	2,725,610	2,725,610	-
Drainage / Vegetation Mgt	524,410	477,607	46,803
Total Enterprise Funds	26,486,793	28,365,330	(1,878,537)
Capital Project Fund			
Water & Wastewater	18,500,000	18,384,200	115,800
Total Capital Project Fund			
Internal Service Funds			
Health Insurance	1,878,976	2,069,000	(190,024)
Total Internal Service Funds			
Debt Service	697,550	876,100	(178,550)
Total All Funds	65,884,511	68,590,529	(2,706,018)

*\$570,375 Park Expenditures funded with proceeds from land sale to County

*\$2,540,000 Water & Sewer Expenditures funded with W&S Impact Fee Reserves

Drainage / Vegetation Management FY 2019 Budget

The wages and benefits below are based on 9 months beginning January 1, 2019

G/L Account Number	Description	2019 Revised	Currently 2019 Requested	Variance Increase / (Decrease)
Drainage / Vegetation Fund Expenditures				
New	Regular Wages-full Time Emp.	51,680.00	78,480.00	(26,800.00)
New	Overtime	3,750.00	5,625.00	(1,875.00)
New	Longevity	-	113.00	(113.00)
New	Social Security	4,240.00	6,443.00	(2,203.00)
New	Retirement-Tmrs	5,443.00	8,270.00	(2,827.00)
New	Insurance	13,404.60	27,000.00	(13,595.40)
				(47,413.40)
Electric Fund Expenditures				
02-21-1030-00	Regular Wages	959,160.00	901,400.00	57,760.00
02-21-2020-00	Social Security	78,638.64	74,220.00	4,418.64
02-21-2030-00	Retirement	100,946.03	95,274.00	5,672.03
02-21-2060-00	Health Insurance (\$744.70/Mo - 1 emp - 9 mo)	121,102.30	114,400.00	6,702.30
02-21-4270-00	Contract Tree Trimming	-	80,000.00	(80,000.00)
				(5,447.03)
Impact to other funds				
Park Department Expenditures				
01-25-4285-00	Tree Care Replacement	-	5,000.00	(5,000.00)
Health Insurance Revenues				
50-00-4000-00	Employee Hosp Premium Revenue	1,440,994.90	1,420,888.00	20,106.90

County Budget Changes FY 2019

City's half

9/6/2018 Received revised budget projections from County

Account Number	Description	Department	Final 9/6/2018 FY 2019	Preliminary 8/3/2018 FY 2019	Increase / (Decrease)
General Fund Revenues					
01-00-4301-00	County of Gillespie - Fire Contr	Fire	603,492	607,567	(4,075)
General Fund Expenditures					
01-20-3275-00	City Contribution - EMS	Admin	726,318	719,707	6,611
01-22-3274-00	City Contribution - Dispatch	Police	452,064	431,027	21,037
01-22-4500-00	City Share - LEC Expenses	Police	228,564	179,567	48,997
01-23-3274-00	City Contribution - Dispatch	Fire	25,832	24,630	1,202
					<u>77,847</u>
General Fund Net Excess (Deficit)					<u>(81,922)</u>
Enterprise Fund Revenues - EMS					
06-00-4102-00	City Funds	EMS	726,318	719,707	6,611
Enterprise Fund Expenditures					
02-21-3274-00	City Contribution - Dispatch	Electric	12,916	12,315	601
03-21-3274-00	City Contribution - Dispatch	Water	12,916	12,315	601
06-21-3274-00	City Contribution - Dispatch	EMS	142,077	135,466	6,612
			<u>167,909</u>	<u>160,096</u>	<u>7,814</u>
Enterprise Fund Net Excess (Deficit)					<u>(1,203)</u>

* Dispatch increases mostly due to approved wage and benefit increase for FY 2019

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FREDERICKSBURG, TEXAS, ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019, AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT AND ACCOUNT.

WHEREAS, the City Manager of the City of Fredericksburg has prepared a proposed budget for the fiscal year 2018-2019 and the City Council of the City of Fredericksburg has conducted a public hearing on the proposed budget and now approves such budget;

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

SECTION 1: Subject to the applicable provisions of State Law and the City Charter, and after a public hearing as required by both, the budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019 as filed and submitted by the City Manager and adjusted by the City Council, containing estimates of revenues and resources for the year, as well as estimates of expenditures for operations, activities, purchases, and projects is hereby approved and adopted.

SECTION 2: Such resources and revenues are appropriated for department expenditures as detailed in the said budget.

Passed and approved this 17th day of September, 2018.

Linda Langerhans, Mayor

Attest:

Approved as to form:

Shelley Britton, City Secretary

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: September 17, 2018

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Adoption of 2018 Property Tax Rate

Summary:

The attached ordinance sets the property tax rate for tax year 2018. State law requires that a city adopt a budget before they adopt the tax rate. The City can adopt a budget and a tax rate at the same meeting as long as the budget is adopted first as a separate item.

Recommendation:

The City must adopt a tax rate by official action and set it out in a written ordinance using specific wording set out in the Tax Code. Staff recommends adopting the attached ordinance levying a Tax Rate for the City of Fredericksburg for the Tax Year 2018. Because the adopted tax rate will likely exceed the effective tax rate, the council vote must be a record vote.

Background / Analysis:

During the development of the FY 2019 City Budget, the council discussed various tax rates for the coming year. The proposed adopted tax rate is \$0.22830. A taxing unit authorized to pay both M&O and debt service with property taxes must adopt its rate as two separate components. The M&O tax rate is \$0.19068 and the Debt tax rate is \$0.03762, for a total tax rate of \$0.22830. The Council approved the rollback rate of .22830 as the proposed tax rate.

The City of Fredericksburg

48

The Council also discussed setting the 2018 tax rate at last year's tax rate of .22560. If this rate is approved, the M&O tax rate will be \$0.18798 and the Debt tax rate will be \$0.03762.

Per Tax Code §26.05 (b), a motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.22830, which is effectively a 5.35% (*percentage the proposed tax rate exceeds the effective tax rate*) increase in the tax rate." If Council decides to approve last year's rate of \$0.22560, the motion must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.22560, which is effectively a 4.1% increase in the tax rate." If Council approves another tax rate from the tax rate scenarios, please use the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.xxxx, which is effectively a x.x% increase in the tax rate."

Attachments:

An Ordinance Levying a Tax Rate of \$0.22830 for the City of Fredericksburg for the Tax Year 2018.
An Ordinance Levying a Tax Rate of \$0.22560 for the City of Fredericksburg for the Tax Year 2018.
2018 Tax Rate Scenarios.



Department Approval



City Manager Approval

The City of Fredericksburg

49

ORDINANCE NO. _____

AN ORDINANCE LEVYING A TAX RATE

FOR THE CITY OF FREDERICKSBURG FOR THE TAX YEAR 2018

Be it ordered and ordained by the City Council of the City of Fredericksburg that we, the City Council of Fredericksburg, do hereby levy and adopt the tax rate on \$100 valuation for this City for the tax year 2018 as follows:

\$0.19068 for the purposes of maintenance and operations

\$0.03762 for the payment of principal and interest on the debt of the City

\$0.22830 total tax rate

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.35 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$190.68.

This ordinance is effective from the date of its passage and publication in accordance with applicable law(s).

Passed and approved this 17th day of September, 2018.

Linda Langerhans, Mayor

Attest:

Approved as to form:

Shelley Britton, City Secretary

Daniel Jones, City Attorney

ORDINANCE NO. _____

AN ORDINANCE LEVYING A TAX RATE

FOR THE CITY OF FREDERICKSBURG FOR THE TAX YEAR 2018

Be it ordered and ordained by the City Council of the City of Fredericksburg that we, the City Council of Fredericksburg, do hereby levy and adopt the tax rate on \$100 valuation for this City for the tax year 2018 as follows:

\$0.18798 for the purposes of maintenance and operations

\$0.03762 for the payment of principal and interest on the debt of the City

\$0.22560 total tax rate

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.1 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$187.98.

This ordinance is effective from the date of its passage and publication in accordance with applicable law(s).

Passed and approved this 17th day of September, 2018.

Linda Langerhans, Mayor

Attest:

Approved as to form:

Shelley Britton, City Secretary

Daniel Jones, City Attorney

2018 Tax Rate Scenarios - Certified Totals at 8/8/18

9/9/2018 11:05

2017	2018	
\$1,868,732,958	\$2,053,747,924	Taxable Value (Not under Protest)
39,880,433	3,260,546	Properties Under Protest
\$1,908,613,391	\$2,057,008,470	Total Appraised Value (Includes New)
(420,333,252)	(465,787,704)	Less Frozen Homestead Values
\$1,488,280,139	\$1,591,220,766	Total Taxable (Non Frozen) Values
-	(1,310,980)	Less Taxable Value of Properties Annexed
(38,200,920)	(40,508,010)	Less Taxable Value of New Improvements & New Personal Property Located in New Improvements
(38,200,920)	(41,818,990)	Adjustments to Taxable Value
\$1,450,079,219	\$1,549,401,776	Total Adjusted Taxable Value



The City of
Fredericksburg

FOR DISCUSSION PURPOSES ONLY

3,127,727	3,358,684	Adjusted Prior Year Taxes
0.2156	0.2167	Effective Tax Rate

\$0.22560		Adopted Tax Rate
\$0.21560	\$0.21670	Effective Tax Rate
\$0.27260	\$0.22830	Rollback Tax Rate

TOTAL TAXES

Cents	Percentage	2018 Effective Tax and Increases	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	Incremental Revenue Increase (Decrease)
	EFFECTIVE	0.21670	100.00%	\$ 3,448,175	\$ 833,129	\$ 4,281,305	\$ 4,138,444	\$ 142,861	
0.50	2.3%	0.22170	100.00%	3,527,736	833,129	4,360,866	4,138,444	222,422	\$79,561
0.60	2.8%	0.22270	100.00%	3,543,649	833,129	4,376,778	4,138,444	238,334	15,912
0.70	3.2%	0.22370	100.00%	3,559,561	833,129	4,392,690	4,138,444	254,246	15,912
0.90	4.2%	0.22570	100.00%	3,591,385	833,129	4,424,514	4,138,444	286,070	31,824
1.00	4.6%	0.22670	100.00%	3,607,297	833,129	4,440,427	4,138,444	301,983	15,912
1.15	5.3%	0.22820	100.00%	3,631,166	833,129	4,464,295	4,138,444	325,851	23,868
	ROLLBACK	0.22830	100.00%	3,632,757	833,129	4,465,886	4,138,444	327,442	1,591

MAINTENANCE & OPERATIONS

Cents	Percentage	2018 Effective Tax and Increases	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	
	EFFECTIVE	0.17908	82.64%	\$ 2,849,558	\$ 688,495	\$ 3,538,053	\$ 3,201,613	\$ 336,440	
0.50	2.8%	0.18408	83.03%	2,929,119	691,757	3,620,876	3,201,613	419,263	\$82,823
0.60	3.4%	0.18508	83.11%	2,945,031	692,391	3,637,423	3,201,613	435,810	16,547
0.70	3.9%	0.18608	83.18%	2,960,944	693,020	3,653,964	3,201,613	452,351	16,541
0.90	5.0%	0.18808	83.33%	2,992,768	694,262	3,687,030	3,201,613	485,417	33,066
1.00	5.6%	0.18908	83.41%	3,008,680	694,875	3,703,555	3,201,613	501,942	16,525
1.15	6.4%	0.19058	83.51%	3,032,549	695,783	3,728,332	3,201,613	526,719	24,777
	ROLLBACK	0.19068	83.52%	3,034,140	695,844	3,729,983	3,201,613	528,370	1,651

INTEREST & SINKING

		2018 Effective Tax Rate	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	
	EFFECTIVE	0.03762	17.36%	\$ 598,617	\$ 144,635	\$ 743,252	\$ 936,831	\$ (193,579)	
		0.03762	16.97%	598,617	141,373	739,990	936,831	(196,841)	-\$3,262
		0.03762	16.89%	598,617	140,738	739,355	936,831	(197,476)	-635
		0.03762	16.82%	598,617	140,109	738,726	936,831	(198,105)	-629
		0.03762	16.67%	598,617	138,867	737,484	936,831	(199,347)	-1,242
		0.03762	16.59%	598,617	138,255	736,872	936,831	(199,959)	-613
		0.03762	16.49%	598,617	137,346	735,963	936,831	(200,868)	-909
		0.03762	16.48%	598,617	137,286	735,903	936,831	(200,928)	-60

2018 Tax Rate Scenarios - Certified Totals at 8/8/18

9/9/2018 11:14



The City of
Fredericksburg

FOR DISCUSSION PURPOSES ONLY

<u>2017</u>	<u>2018</u>	
\$1,868,732,958	\$2,053,747,924	Taxable Value (Not under Protest)
<u>39,880,433</u>	<u>3,260,546</u>	Properties Under Protest
\$1,908,613,391	\$2,057,008,470	Total Appraised Value (Includes New)

<u>(420,333,252)</u>	<u>(465,787,704)</u>	Less Frozen Homestead Values
\$1,488,280,139	\$1,591,220,766	Total Taxable (Non Frozen) Values

-	(1,310,980)	Less Taxable Value of Properties Annexed
(38,200,920)	(40,508,010)	Less Taxable Value of New Improvements & New Personal Property Located in New Improvements
(38,200,920)	(41,818,990)	Adjustments to Taxable Value

\$1,450,079,219 **\$1,549,401,776** **Total Adjusted Taxable Value**

<u>3,127,727</u>	<u>3,358,684</u>	Adjusted Prior Year Taxes
0.2156	0.2167	Effective Tax Rate

\$0.22560		Adopted Tax Rate
\$0.21560	\$0.21670	Effective Tax Rate
\$0.27260	\$0.22830	Rollback Tax Rate

TOTAL TAXES

Cents	Percentage	2018 Effective Tax and Increases	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	Incremental Revenue Increase (Decrease)
	EFFECTIVE	0.21670	100.00%	\$ 3,448,175	\$ 833,129	\$ 4,281,305	\$ 4,138,444	\$ 142,861	
0.50	2.3%	0.22170	100.00%	3,527,736	833,129	4,360,866	4,138,444	222,422	\$79,561
0.60	2.8%	0.22270	100.00%	3,543,649	833,129	4,376,778	4,138,444	238,334	15,912
0.89	4.1%	0.22560	100.00%	3,589,794	833,129	4,422,923	4,138,444	284,479	46,145
0.90	4.2%	0.22570	100.00%	3,591,385	833,129	4,424,514	4,138,444	286,070	1,591
1.00	4.6%	0.22670	100.00%	3,607,297	833,129	4,440,427	4,138,444	301,983	15,912
1.15	5.3%	0.22820	100.00%	3,631,166	833,129	4,464,295	4,138,444	325,851	23,868
1.16	5.35%	0.22830	100.00%	3,632,757	833,129	4,465,886	4,138,444	327,442	1,591

MAINTENANCE & OPERATIONS

Cents	Percentage	2018 Effective Tax and Increases	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	
	EFFECTIVE	0.17908	82.64%	\$ 2,849,558	\$ 688,495	\$ 3,538,053	\$ 3,201,613	\$ 336,440	
0.50	2.8%	0.18408	83.03%	2,929,119	691,757	3,620,876	3,201,613	419,263	\$82,823
0.60	3.4%	0.18508	83.11%	2,945,031	692,391	3,637,423	3,201,613	435,810	16,547
0.89	5.0%	0.18798	83.32%	2,991,177	694,200	3,685,377	3,201,613	483,764	47,955
0.90	5.0%	0.18808	83.33%	2,992,768	694,262	3,687,030	3,201,613	485,417	1,653
1.00	5.6%	0.18908	83.41%	3,008,680	694,875	3,703,555	3,201,613	501,942	16,525
1.15	6.4%	0.19058	83.51%	3,032,549	695,783	3,728,332	3,201,613	526,719	24,777
	ROLLBACK	0.19068	83.52%	3,034,140	695,844	3,729,983	3,201,613	528,370	1,651

INTEREST & SINKING

		2018 Effective Tax Rate	%of Levy	2018 Non frozen Tax Amount	2018 Frozen Tax Amount	2018 Total Tax Amount	2017 Total Tax Amount	Tax Revenue Increase (Decrease)	
	EFFECTIVE	0.03762	17.36%	\$ 598,617	\$ 144,635	\$ 743,252	\$ 936,831	\$ (193,579)	
		0.03762	16.97%	598,617	141,373	739,990	936,831	(196,841)	-\$3,262
		0.03762	16.89%	598,617	140,738	739,355	936,831	(197,476)	-635
		0.03762	16.68%	598,617	138,929	737,546	936,831	(199,285)	-1,809
		0.03762	16.67%	598,617	138,867	737,484	936,831	(199,347)	-62
		0.03762	16.59%	598,617	138,255	736,872	936,831	(199,959)	-613
		0.03762	16.49%	598,617	137,346	735,963	936,831	(200,868)	-909
		0.03762	16.48%	598,617	137,286	735,903	936,831	(200,928)	-60

Property Tax Variance

Rollback Rate \$.22830 vs Last Year's Rate \$.22560

	Rollback Rate \$.22830	Last Year's Rate \$.22560	Variance
Total Taxes	4,465,886	4,422,923	42,963
Maintenance & Operations	3,729,983	3,685,377	44,606
Interest & Sinking (Debt)	735,903	737,546	(1,643)

If decision is made to use last year's tax rate of \$.22560 instead of the rollback rate currently in the FY 2019 Budget, property tax revenue for maintenance and operations will decrease by \$44,606.

* As of July 31, 2018 there were approximately \$107,071 in uncollected property taxes.

\$46,127 are 2017 property taxes and the remaining uncollected property taxes of \$60,944 are from prior years 2000 - 2016.





CITY COUNCIL MEMO

DATE: September 17, 2018

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Auditing Services

Summary:

A Request for Qualifications and Proposals for Professional Auditing Services beginning with Fiscal Year 2018 was issued by the City in August.

As part of the selection process, the City requested Technical Qualifications that included 1) the firm's past experience and performance on comparable municipal government engagements (size and complexity, 2) technical experience and firm's professional qualification of the personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation, and 3) the firm's ability to perform additional services and provide technical support throughout the year, including assistance to the City in interpreting and implementing new accounting standards and regulations. The City also requested the firm's audit approach, including 1) comprehensiveness of audit work plan, 2) adequacy of proposed staffing plan for various segments of the engagement, including timeline and ability to meet due dates, 3) adequacy of sampling techniques and analytical procedures, and 4) adequacy of study and evaluation of internal accounting and administrative controls.

Three audit firms submitted formal proposals. Those included ABIP, located in San Antonio, Haynie & Company, also located in San Antonio, and Klein, Kraus and Company, located in Fredericksburg.

Recommendation:

The City of Fredericksburg

55

After reviewing and evaluating the proposals, staff recommends the contract for professional auditing services be awarded to Klein, Kraus and Company.

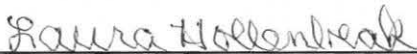
Background / Analysis:

According to the City's Financial Management Policy, the City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial functions. These areas include but are not limited to audit services. The principal factors in the selection will be experience/expertise, ability to perform the services, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection. The policy also states that at least every eight years, the City shall request proposals from qualified firms. The City Council is required to select an independent firm of certified public accountants to perform an annual audit of the City's accounts and records.

The policy also states that, "It is the City's preference to rotate auditor firms every eight years at the maximum, to ensure that the City's financial statements are reviewed and audited with an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit. However, if through the proposal and review process, management selects the current audit firm, then, it is the City's preference that the lead audit partner be rotated as well as the lead reviewer after a maximum of eight years." It has been confirmed that the lead audit partner and lead reviewer will be reassigned.

Attachments:

Klein, Kraus and Company RFP



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

54

**CITY OF
FREDERICKSBURG, TEXAS**

***PROPOSAL FOR THE
CITY OF FREDERICKSBURG AUDIT SERVICES***

Submitted By:
Klein, Kraus & Company, LLC
1302 North Llano
Fredericksburg, Texas 78624
830/997-5592
Contact: Patrick H. Klein, C.P.A.
August 21, 2018

TABLE OF CONTENTS

Transmittal Letter.....	1
Scope of Services.....	2
Management and Firm Profile	4
Governmental Experience and Qualifications	6
Audit Approach.....	8
Staff Assignments and Resumes	10
Continuing Professional Education.....	12

KLEIN, KRAUS & COMPANY, LLC

Certified Public Accountants

1302 North Llano · P.O. BOX 2211
FREDERICKSBURG, TEXAS 78624-2211
(830)997-5592

FAX: (830)990-2692
pkleinkkcpa@austin.rr.com

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Ms. Laura Hollenbeak, Director of Finance
City of Fredericksburg, Texas
126 West Main Street
Fredericksburg, Texas 78624

Dear Ms. Hollenbeak,

We are pleased to submit our proposal to provide audit services to the City of Fredericksburg, Texas. Our audit will include the financial, compliance and internal control requirements prescribed by the Single Audit Act of 1996, GAO Government Auditing Standards (The Yellow Book) and the requirements of OMB Circular A-133. In addition, with regard to our internal control system evaluation, it is our standard practice to issue a Management Letter with appropriate recommendations for improvement and safeguarding of assets.

We confirm that we are independent of any direct or indirect obligations and financial interests that might conflict with the best interests of the City of Fredericksburg, Texas and our ability to provide the desired services. We also confirm that the proposed audit team will be independent under applicable State nepotism laws. We will assign partners, managers and staff who are experienced with the unique demands of governmental audits, to ensure that the annual audit is completed in an effective, efficient and timely manner.

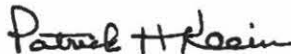
Because of our experience in governmental auditing, our commitment to quality work and our understanding of the City of Fredericksburg we feel that we are the best qualified firm to perform this engagement.

Our anticipated fee for the audit is \$22,500 if City staff prepares the report or \$30,000 if we prepare the report.

This proposal is valid and irrevocable for a period of sixty (60) days beginning on August 21, 2018.

If you have any questions concerning this proposal please feel free to call on me.

Sincerely,



Patrick H. Klein, CPA
KLEIN, KRAUS & COMPANY, LLC

August 21, 2018

SCOPE OF SERVICES

Our audit would encompass the general purpose financial statements, combining statements and any other schedules for the City of Fredericksburg, Texas for the fiscal year ending September 30, 2018. The audit would be performed in accordance with generally accepted governmental auditing standards.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position and results of operations, in accordance with generally accepted accounting principles, and (2) whether the City has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit would also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the City has adhered to specific financial compliance requirements.

At the conclusion of our audit fieldwork we will issue an opinion as to whether or not the financial statements fairly present the financial position and results of operations for the year ended September 30, 2018. If our opinion will be anything other than unqualified we will first discuss the matter with you.

As a part of the audit of the general purpose financial statements, the annual audit would also include obtaining an understanding of the City's internal control structure and reporting any reportable conditions relating to the internal control systems coming to the attention of the auditors. To comply with Office of Management and Budget Circular A-133, a study and evaluation of the internal control structure would include internal accounting and administrative controls for all major federal financial assistance programs or 50% of all federal programs if expenditures for major programs are less than 50% of total federal program expenditures. Any material weakness noted during the study and evaluation of internal accounting and administrative controls would be reported.

As part of the audit of the general purpose financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations and all instances of noncompliance would be reported to the City.

A management letter will be issued and include any findings or recommendations for improvement concerning any aspect of the City's operations.

Any finding of noncompliance or ineligible expenditures and any recommendations for improvement will be discussed and presented in enough detail for management to clearly understand them.

We will also be available at all times to assist the City with accounting and financial consultations at our normal billing rates.

MANAGEMENT AND FIRM PROFILE

Klein, Kraus & Company, LLC is a local public accounting firm with its office in Fredericksburg, Texas. The firm provides general accounting services such as auditing, tax services, bookkeeping and write-up services, personal and business consulting.

The firm is composed of 2 shareholders, 3 professional staff, 1 para-professional and 1 administrative person. The firm, its officers and certified personnel are members in good standing with the Texas State Board of Public Accountancy, the American Institute of Public Accountants (AICPA), and the Texas Society of Certified Public Accountants (TSCPA).

Patrick Klein is the managing partner and may be contacted by mail at Klein, Kraus & Co., LLC, 1302 North Llano, Fredericksburg, Texas 78624 or by telephone at 830/997-5592.

To assure that the firm maintains a high standard of quality work its officers have been members of the AICPA's Private Companies Practice Section (PCPS) since 1988. Under the PCPS guidelines a member must undergo a peer review every three years. Our most recent peer review was completed in January 2016 and received an unqualified opinion on our accounting and audit services. It is the policy of Klein, Kraus & Company, LLC to undergo a peer review every three years. In the interim years we perform our own in-house peer review.

It is also firm policy that all professional staff complete 40 hours of continuing education each year. For personnel involved in governmental auditing sufficient hours must be in governmental auditing to fulfill the GAO Yellow Book requirements.

We affirm that we meet all the independence requirements established by the U. S. General Accounting Office, that we meet all the specific requirements imposed by state or local law, rules and regulations and that we do not have a record of sub-standard work. We have had a professional relationship with the City of Fredericksburg for the last three years serving as the City's auditor but do not feel that this hinders or impairs any future relationship since we were required to be independent to serve as auditor.

The firm uses outside specialists and consultants when needed. We do not anticipate such a need for the audit of the City of Fredericksburg, Texas.

GOVERNMENTAL EXPERIENCE and QUALIFICATIONS

Klein, Kraus & Company, LLC serves numerous clients in the governmental and non-profit industry. Some of these include but not limited to:

Fredericksburg Independent School District
Annual audit under Single Audit Act in 2009; 250 hours
Partner in Charge – Patrick Klein
Contact Dr. Jeff Brasher, Superintendent, at 830/997-9551

City of Fredericksburg
Annual audit under Yellowbook Standards in 2009; 290 hours
Partner in Charge – Patrick Klein
Contact Ms. Laura Hollenbeak, Director of Finance at 830/997-7521

Kingsland Municipal Utility District
Annual audit under Yellowbook Standards in 2009; 85 hours
Partner in Charge – Patrick Klein
Contact Ms. Anita LaBier at 325/388-4559

Harper Independent School District
Annual audit under Yellowbook Standards in 2009; 110 hours
Partner in Charge – Patrick Klein
Contact Mr. Chris Stevens, Superintendent at 830/864-4044

Ingram Independent School District
Annual audit under Single Audit Act in 2009; 180 hours
Partner in Charge – Patrick Klein
Contact Mr. Bill Orr, Chief Financial Officer at 830/367-5517

We affirm that there have not been any federal or state desk reviews or field reviews of our audits nor are we the subject of any disciplinary action by state regulatory bodies or professional organizations.

AUDIT APPROACH

We use audit programs tailored specifically for Texas Cities and Governmental Units to include all financial, compliance and internal control requirements of GAO Government Auditing Standards (the Yellow Book), the Single Audit Act of 2004 and OMB Circular A-133.

To test those requirements we utilize a comprehensive and systematic plan that focuses directly on the assessment of audit risk and integrates statistical theory with the use of audit judgement. The plan provides for the translation of subjective audit judgments into quantitative terms for the following features:

- Tolerable error
- Reliance on internal control
- Evidence from analytical review or other related substantive procedure
- Inherent risk associated with the engagement and the specific items to be sampled.

We will at all times be in communication with management regarding progress and questions or potential findings. While we do not anticipate any potential problems should a problem arise during the course of our fieldwork we will immediately be in contact with the Director of Finance to resolve the issue.

Should a multi-year contract be awarded testing requirements would remain the same except for adjustments needed for actual or perceived changes in compliance or controls.

Our tentative schedule for the FY 2018 audit is as follows:

- | | |
|---|-------------------------|
| ➤ Complete engagement letter | September 2018 |
| ➤ Schedule entrance conference | September 2018 |
| ➤ Provide City with list of schedules needed | September 2018 |
| ➤ Send year-end confirmations | October 2018 |
| ➤ Commence field work | October \November 2018 |
| ➤ Complete field work and schedule exit conference | NLT December 2018/ |
| ➤ | January 2019 |
| ➤ Complete first draft of report
for management review | Dependent on City Staff |
| ➤ Deliver final report | Dependent on City Staff |

It is estimated that it will require 300 hours to complete the audit.

**STAFF ASSIGNMENTS
AND RESUMES**

(L8)

The proposed audit team will be as follows:

Partner-in-charge - Patrick H. Klein, C.P.A.

Mr. Klein is a Certified Public Accountant licensed to practice in the State of Texas. He received his BA from St. Mary's University and completed post-graduate work at the University of Texas at San Antonio. He has been involved in governmental auditing for 31 years. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

Supervisor - Michael Kraus, C.P.A.

Mr. Kraus is a Certified Public Accountant licensed to practice in the State of Texas. He received his BBA from Texas A & M University. He has been involved in governmental auditing for 22 years. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

Staff - Nancy Maenius

Ms. Maenius received her BBA in accounting from Southwest Texas State University.

Staff - Ricki Giese

Ms. Giese received her BS from Denison University and MBA from Suffolk University.

The staff member who will be responsible for overall audit planning, fieldwork direction and reporting is Patrick Klein. Should the engagement become a multi-year contract, it is anticipated that the audit team would remain the same.

Each of the above persons has attended some or all of the continuing education courses listed on page 13.

CONTINUING PROFESSIONAL EDUCATION

Each of the proposed audit team has attended some or all of the following continuing professional education courses during the last three years in fulfillment of Yellow Book requirements.

<u>Description</u>	<u>Annual</u> <u>Hours</u>
A) Auditor's Risk Assessment	8
B) Advanced Texas School District Auditing	8
C) Quarterly Governmental Audit Updates by "The CPA Report"	12
D) Annual Governmental Audit & Accounting Update	8
F) Implementing OPEB	2
G) Working With Governmental Audit Committees	2
H) Annual Auditing Update & Review	8



CITY COUNCIL MEMO

DATE: September 17, 2018
TO: Mayor and City Council
FROM: Laura Hollenbeak, Director of Finance
SUBJECT: Award Contract for Banking Services

Summary:

A Request for Proposal (RFP) for banking services beginning October 1, 2018 was issued by the City in August. The City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities with this banking services agreement.

Two banks that operate within the city submitted formal proposals. Those banks include Texas Regional Bank and Security State Bank and Trust. As part of the request, the City shared its current account structure, historic volumes of transactions, average collected balances, and other requirements for banking services with these interested banks.

As part of the selection process, the City indicated that evaluation of the proposals would be made on the basis of meeting the following objectives: 1) cost of services, 2) convenience of banking services, electronic as well as lobby services, 3) responsiveness to the needs of the City, both in time required to complete transactions and in the scope of services offered, and 4) safety and credit worthiness of the bank.

Recommendation:

After reviewing and evaluating the proposals, staff recommends the contract for banking services be awarded to Security State Bank and Trust.

Background / Analysis:

Security State Bank & Trust waived all banking fees, which based on the prior twelve months history will save the City approximately \$5,000. Both banks emphasized that they would be responsive to the City's banking needs and have proven so in the past. Texas Regional Bank has also served the City well with financing needs in the past. Security State Bank has provided the City with excellent banking services for many years. Each bank was evaluated as financially strong and credit worthy.

Both banks graded high on the convenience objective. However Security State Bank is located directly across from City Hall.

The City of Fredericksburg will continue to periodically allow banks the opportunity to competitively present proposals for banking services.

Attachments:

Security State Bank and Trust RFP



Department Approval


City Manager Approval

City Attorney Approval

The City of Fredericksburg

73

CITY OF FREDERICKSBURG, TX
REQUEST FOR PROPOSAL FOR BANKING SERVICES

I. INTRODUCTION

The City of Fredericksburg is requesting proposals for a banking services contract to be awarded Monday, September 17, 2018, with service to begin October 1, 2018, and extend through September 30, 2021, with the option to extend this contract for two (2) additional one-year terms. The total term of this contract may not exceed five (5) years from the date October 1, 2018. Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

To assure a close working relationship, to facilitate available services, and to support local business, the entity may give priority to those banks with full service capabilities within the City limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

B. PROPOSAL SUBMISSION INSTRUCTIONS

1. Proposal Format

In order to fully and equitably evaluate each bank's ability to meet the banking services needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

Five (5) hard copies of the proposal and one (1) hard copy of the Required Financial Institution Information must be submitted in a sealed envelope and clearly marked "Proposal for Banking Services Due August 29, 2018, addressed and delivered to:

Laura Hollenbeak
Director of Finance
City of Fredericksburg
126 W Main St
Fredericksburg, TX 78624

Sealed proposals will be accepted in the Finance Office, City Hall, 126 W Main St, Fredericksburg, Texas until 2:00 p.m. Wednesday, August 29, 2018.

3. RFP Questions

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before 2:00 p.m. August 22, 2018. Responses to all material questions submitted will be communicated to each prospective bidder.

Laura Hollenbeak
Director of Finance
City of Fredericksburg
126 W Main St
Fredericksburg, Texas 78624
lhollenbeak@fbgtx.org

4. Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders.

5. Selection Criteria

Evaluation of proposals will be made on the basis of the following objectives:

Time Deposit interest rates
Cost of Service
Service availability
Safety and creditworthiness of bank

6. Award of Bid and Service Initiation

The contract is to be awarded by City Council at its meeting September 17, 2018.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of the proposal:

- ♦ audited financial statements for the most recent fiscal year
- ♦ a copy of the current call report
- ♦ a statement regarding any recent or foreseen merger or acquisition

IV. REQUIRED BANKING SERVICES

This section lists all the services to be provided by the bank under this agreement. Attachment A lists each of these services, and Attachment B shows a history of volumes for each service. The bank should use Attachment A to provide the specific price for each service.

A. Account Structure

The City's banking structure currently consists of nine (9) business interest bearing checking accounts, eighteen (18) money market, and three (3) business interest bearing checking sweep accounts. The checking accounts are utilized for all payables of the City, and the money market accounts are used to manage monies of the City's various funds and debt service obligations. The Payables checking account serves as the consolidated account and is the main account for deposits and accounts payable. The City desires all accounts to be interest bearing.

The bank is to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. The City's current account structure contains the following accounts:

Payables	Business Interest Bearing Checking
Food & Wine Festival	Business Interest Bearing Checking
Summer Youth Program	Business Interest Bearing Checking
Payroll Account	Business Interest Bearing Checking
Health Insurance Account	Business Interest Bearing Checking
Animal Control	Business Interest Bearing Checking
Park Credit Card Account	Business Interest Bearing Checking
Park Online Reservations	Business Interest Bearing Checking
Short Term Rental Fee	Business Interest Bearing Checking
Water & Sewer Impact Fee	Money Market
EMS Credit Card Account	Money Market
Park Dedication Fees	Money Market
Parks & Recreation Fund	Money Market
Municipal Court Technology Fund	Money Market
2010 Refunding GO I&S Bonds	Money Market
EMS ACH	Money Market
Municipal Court Credit Card	Money Market
2012 I&S GO Bonds	Money Market
2012 I&S GO Refunding Bonds	Money Market
Fort Martin Scott	Money Market
2013 Utility Revenue Bonds I&S	Money Market
Landfill Closure Reserve	Money Market
Gillespie County Coalition for Healthy Eating	Money Market
2016 Limited Tax Notes I&S	Money Market
2017 Tax Limited Pledge Revenue CO's I&S	Money Market
Police Forfeiture Pending	Money Market

Solid Waste Cell Development Reserve	Money Market
Food and Wine Festival Investment Sweep	Business Interest Bearing Checking - Sweep
Hospitalization Ins Acct Investment Sweep	Business Interest Bearing Checking - Sweep
Payable Accts Investment Sweep	Business Interest Bearing Checking - Sweep

B. Wire Transfer Services

A standard wire transfer agreement will be executed with the bank. The proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. Information should be submitted detailing the use of online wire transfer requests. The City requires:

- ◆ The ability to initiate and monitor wire transfers online
- ◆ The ability to create and store recurring/repetitive wire instructions/templates
- ◆ The ability to create and store future dated wire instructions
- ◆ Security measures for wire initiation and approval

Wire Transfer Services are available in person and online. Online wire services are provided through Security State Bank & Trust's Cash Management Product. The above noted items can be handled through this product. Enclosed is a sample wire agreement for your review. All wires above \$50,000.00, which are initiated through the Cash Management product, require a call back to authorize the wire. For additional security measures, a token is provided to each user to access the system in order to process wires.

C. Automated Daily Balance Reporting

The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal.

Security State Bank & Trust's online banking service includes the above listed requirements as well as the following: account balances, balance reporting, ACH origination, wires, tax payments, positive pay, stop pay, account to account transfers, external transfers, view check/deposit images, e-statements, request documents, notify me alerts and reordering of checks. The included Electronic Banking folder also provides further descriptions of services. Balances are updated nightly and available at 3:00 am.

D. Sweep Account Provisions

If the City chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

The bank has an internal sweep account in which the funds are swept from one account into another account within the Bank. We pay the previous month's average Fed Funds Sold rate on the Sweep Investment Account, currently paying 1.95%. Only collected funds are swept and the City would elect what collected balances to maintain in the account from which the funds are being swept. It can be anywhere from one dollar (\$1.00) on up. There is a minimum balance of \$25,000.00 to be maintained in the Sweep Investment account. The activity is reflected as individual debits and credits on the respective monthly statements. Interest earned is credited to the sweep investment account monthly. If more than one (1) account is swept into the Investment Sweep account, there is only one interest amount. The interest is not broken down per account being swept. The sweep transaction is the last transaction of each day's processing.

E. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself, the collateral must be held in the trust department of the bank in a separate account.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

The City currently utilizes this service. The City has a safekeeping account with Frost National Bank for clearing and safekeeping. The City would continue to settle any purchases of securities through Security State Bank & Trust's account with Frost. The City would need to advise Security State Bank & Trust of the purchase two days before settlement in order for the Bank to advise Frost of the settlement. Charges from Frost National Bank for the City's safekeeping account would be passed on to the City and hard charged through the Bank's account. The City would need to provide Security State Bank & Trust "view only" access in "Safekeeping Online" to the City's safekeeping account.

F. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

Checks drawn on City accounts at your institution presented by City of Fredericksburg employees will be cashed at no charge.

Security State Bank & Trust agrees to this requirement.

G. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

Security State Bank & Trust agrees to this requirement.

Deposits may be made at any SSB&T location. Deposits that exceed five (5) items being deposited will need to have an adding machine tape to accompany the deposit. Listing of checks on the deposit slip is not required however the total amount being deposited needs to be on the deposit slip. Any currency being deposited should be listed on the deposit slip and in order.

Listed below are deposit locations in Fredericksburg:

Security State Bank & Trust
Main Office
201 West Main Street
Fredericksburg, TX 78624

Security State Bank & Trust
Motor Bank
202 West San Antonio Street
Fredericksburg, TX 78624

Security State Bank & Trust
Motor Bank
1111 East Main Street
Fredericksburg, TX 78624

Night Deposits may be made at any of the above locations. The City may elect to use zipper bags with or without locks. If the City elects to utilize locked zipper bags a form will need to be completed and signed indicating the employees authorized to pick up the bags. There is no additional fee for this service.

H. Online Banking Services

The institution shall offer internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by using a password set by the City. In addition, the institution shall offer online transfer of City funds between accounts held within the institution. The transfers should be credited and debited to the related accounts on the same business day of the transfer, if the request is received by 4:00 p.m.

Security State Bank & Trust currently provides on-line banking services to the City through the Cash Management Product (see the Cash Management Folder for details). Passwords are set by the City and are authenticated by utilizing out-of-wallet questions for each authorized user. For additional security, the Bank issues tokens to each authorized user at no additional charge. If tokens are lost or misplaced, the Bank requests to be notified as soon as possible and an additional token will be provided. Transfers may be made between accounts; the accounts are debited and credited on the same business day if the request is received by 4:00 pm.

Provide a detailed description of online services and a list of all capabilities, including ability to provide the following basic services:

Reporting:

- ◆ Daily balance reporting summary
- ◆ Daily balancing reporting detail (with check detail and images)
- ◆ Daily ACH and wire with full addenda information

Security State Bank & Trust's Cash Management Product provides the above items.

Execution of Transactions:

- ◆ Transfers between accounts
- ◆ Initiation of wire transfers
- ◆ Initiation of stop payment orders
- ◆ Initiation of ACH transactions; recurring/repetitive/future ACH debit (collection or credit (Direct deposit) transactions
- ◆ Maintenance of wire transfer templates

Security State Bank & Trust's Cash Management Product provides the above items.

Initial Controls:

- ◆ Online cleared check information/images
- ◆ Multi-level security administration requirements
- ◆ Training of City's administrator for managing access

Security State Bank & Trust's Cash Management Product provides the above items.

I. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A detailed analysis should include all charges against each account and a consolidated analysis. A sample account analysis format must be provided as part of the proposal. All checks cleared (both front and back) must be returned to the City in paper or online printable format. The City requires calendar month bank statements. (Beginning the 1st day of the month and ending the last day of the month). Samples of monthly statements should also be provided. The monthly statements are to be received within five business days of the last day of the month.

Statements are available in both paper and electronic format. Commercial statements cover each calendar month. Online statements are available online the day after the statement drops. Paper statements are available two business days after they drop on the last business day of the month. Currently the City receives images of the front of all checks. At the City's request, images of the back of the items may be provided. A consolidated analysis statement of all accounts and a specific analysis for each account is provided in both paper and electronic format.

Security State Bank & Trust is waiving all of Security State Bank & Trust's fees for the City of Fredericksburg.

J. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

The following have been assigned to coordinate the account services and expedite the solution of any problem:

Kay Stech will be assigned as the Senior Account Executive. Ms. Stech is the Senior Vice President and Chief Operating Officer for Security State Bank & Trust. She has 35 years banking experience with Security State Bank & Trust.

Laura Kaderli-Stocks will be assigned as a back up to Ms. Stech. Ms. Kaderli-Stocks is the Assistant Vice President over Operations. She has been in banking for 18 years and has been with SSB&T for two years.

K. Direct Deposit

The banking institution must be able to provide direct deposit through a computer interface with the City via internet. Include a schedule of funding for direct deposit so that payroll is available for City employees at 12:01 a.m. Friday. Also include a sample direct deposit agreement with your proposal. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

Security State Bank & Trust currently provides this service.

In order for payroll to be available for the City's employees on Friday, the direct deposit file (ACH) will need to be received by the Electronic Banking Department by the prior Thursday before 4:00 p.m. A sample of an Originator Agreement has been included.

L. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all bank policies regarding daylight overdrafts charges or handling procedures.

Each account would be allowed up to five (5) NSF items per statement cycle period. The proper individual with the City would be notified of any City account having NSF checks on the morning after presentment of the items.

M. Stop Payments

The proposal must include a statement on the proposed stop payment process including length and available extensions on an automated (internet) basis through the institutions web-site.

Stop Payments may be done by phone, in person, or through SSB&T Internet Banking/Cash Management Product. Stop payments are in effect for six months for a check and indefinitely for ACH items. Stop payments may be extended by contacting the Bank to renew the stop payment. If at any time the City wants a stop pay removed, the City may do so by contacting the Bank to remove the stop payment.

N. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$250,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral. The City requires monthly collateral reports. Please provide a sample collateral report with your proposal.

Security State Bank & Trust agrees to this requirement.

The Bank has two options for the City to select for collateralization of Deposits:

1) Security State Bank and Trust utilizes Frost Bank for safekeeping of Securities. Frost Bank issues the safekeeping receipts for pledging to the City. Receipts are mailed to the City. This is the current method utilized by the City.

2) Security State Bank & Trust utilizes Federal Home Loan Bank and would issue a Custodial Letter of Credit to the City. A Letter of Credit is a definite undertaking by an issuer to a Beneficiary at the request of or for the account of an applicant to honor a documentary presentation by payment or delivery of an item of value. U.C.C. §5.102(a)(10). In other words, a Letter of Credit is a primary obligation of the issuer (independent of all other obligations under the other underlying contracts among the applicant, the beneficiary, or the issuer) to honor drafts or demands for payment of the Beneficiary presented in compliance with the terms and conditions of the Letter of Credit.

O. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the banks then published rate.

Security State Bank & Trust agrees to this requirement.

P. Bank Service Questions

	No	Yes	Fee
Will institution furnish deposit slips?		XX	none
Will institution furnish night depository services including bags and keys?		XX	none
Will institution provide coin counting services?		XX	none
Will institution charge for accounts overdrawn for short periods of time if cumulative account balances are positive?	XX		none
Do the online banking services allow for numerous user accounts with varying access restrictions?		XX	none
Are monthly bank statements available online?		XX	none

V. OTHER SERVICES

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the proposal will be applied.

Security State Bank & Trust agrees to this requirement.

VI. Bank Compensation

Any net settlement on compensating balances will be made annually. Describe the compensating balance calculation and address fee when credits do not cover charged fees. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

Security State Bank & Trust does not have the capability to do a net settlement on an annual basis. The Bank can only do a net settlement monthly.

Under the service charge agreement for your commercial accounts, all Security State Bank & Trust's Fees are waived.

VII. Other Institution Requirements

On an annual basis the institution must provide an audited financial statement and call reports for each fiscal year the banking services agreement is in effect. These reports must be submitted to the Director of Finance within 30 days of the completion of the institution's audit.

The institution must provide the City with an updated list of the representatives at the institution responsible for processing activity on the City's accounts annually and upon change of status.

The institution must comply with the City's Investment Policy; see Attachment C for a copy of this policy.

Security State Bank & Trust agrees to this requirement.

Attachment A

BANKING SERVICES CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement. Add Additional lines as required.

SERVICE UNIT	UNIT CHARGE	COST OF SERVICE
Account Maintenance	Per month \$12.00	Waived
Daily Balance Reporting	Per month n/a	No charge
Credits Posted	Per transaction \$0.30	Waived
Items Deposited		
Deposits	Per transaction \$0.30	Waived
Debits Posted	Per transaction \$0.12	Waived
Encoding Charge	Per transaction	No charge
ACH Processing	Per transaction n/a	No charge
Origination of file	Per file \$3.00	Waived
ACH deletions	Per transaction n/a	No charge
ACH entries	Per transaction \$0.12	Waived
ACH returns	Per transaction \$0.12	Waived
ACH maintenance	Per month n/a	No charge
Chargeback Items	Per transaction \$2.00	Waived
Stop payments	Per transaction \$30.00	Waived
Wire Transfers		
Incoming	Per transaction n/a	No charge
Outgoing	Per transaction \$20.00	Waived
Investment Safekeeping ¹		Pass Thru Fees/Frost
Safekeeping interest/credit	Per transaction	Pass Thru Fees/Frost
Safekeeping receipt deposit	Per transaction	Pass Thru Fees/Frost
Safekeeping outgoing	Per transaction	Pass Thru Fees/Frost
Extra Statements	Per transaction n/a	No charge
Web Banking		
Online account access	Per month n/a	No charge
Transfers	Per transaction n/a	No charge
Disposable bank bags	Per item bank cost	No charge

¹ Refers to safekeeping on deposits on file with the institution only, no outside investments.



CITY COUNCIL MEMO

DATE: September 11, 2018

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Presentation by City Financial Advisor

Summary:

The City Financial Advisor, Dan Wegmiller, will attend the Council meeting to provide an update on plans to finance Utility Revenue Bonds.

Recommendation:

Following this presentation, it is recommended that the Council provide direction on the schedule for financing these bonds.

Background / Analysis:

The City Council has previously discussed the need to issue \$18 million in utility revenue bonds for needed capital improvements to our water system. Our Financial Advisor provided a preliminary estimate of the annual debt costs for these bonds and a schedule for issuance. This information is attached to this report. The schedule shows the bond closing to occur by the end of this year. The other options is to proceed with engineering and bidding of the capital improvements and wait to issue the bonds until late next summer.

Attachments:

The City of Fredericksburg



Preliminary report on annual debt costs.
Preliminary schedule for issuance of bonds.


Department Approval


City Manager Approval

The City of Fredericksburg

87

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



City of Fredericksburg, Texas
Utility System Revenue Bonds, Series 2018 (“Bonds”)

Timeline of Events – Competitive Sale

Monday, September 17, 2018*	City Council meeting to discuss Utility System Revenue Bond projects and issuance timeline. (No action required).
Week of October 15, 2018	Rating call with S&P, City Staff and SPFI.
Monday, October 29, 2018	The Preliminary Official Statement (POS) is distributed to potential bidders.
Tuesday, October 30, 2018	Rating is received from S&P.
Monday, November 5, 2018*	The City Council adopts an ordinance authorizing the issuance of the Bonds to fund Water & Sewer System projects.
Wednesday, November 28, 2018	<u>Delivery Date.</u> The City receives funds from the Purchaser of the Bonds for project fund.

*Official City Council Meeting.

City of Fredericksburg, Texas
For Purposes of Illustration Only
Preliminary \$18,000,000 in Proceeds from 2018 Utility System Revenue Bonds

FYE 9/30	Net Revenues	Growth	Existing Utility Rev D/S	\$18,000,000 Series 2018 Util Rev Bds 11/28 3.86%		Projected Total Utility Rev D/S	Plus: Utility- Supported G.O. D/S	Projected Total Utility- Supported D/S	D/S Coverage	
				Utility Rev Bds Only	All Rev-Supp Bonds					
2018	\$ 3,674,311		\$ 469,471	\$ -	\$ 469,471	\$ 256,721	\$ 726,192	7.83x	5.06x	
2019	3,674,311	0.00%	470,335	1,204,190	1,674,525	-	1,674,525	2.19x	2.19x	
2020	3,674,311	0.00%	470,889	1,203,720	1,674,609	-	1,674,609	2.19x	2.19x	
2021	3,674,311	0.00%	471,134	1,202,145	1,673,279	-	1,673,279	2.20x	2.20x	
2022	3,674,311	0.00%	471,068	1,205,045	1,676,113	-	1,676,113	2.19x	2.19x	
2023	3,674,311	0.00%	470,693	1,207,345	1,678,038	-	1,678,038	2.19x	2.19x	
2024	3,674,311	0.00%	470,009	1,204,120	1,674,129	-	1,674,129	2.19x	2.19x	
2025	3,674,311	0.00%	469,014	1,205,370	1,674,384	-	1,674,384	2.19x	2.19x	
2026	3,674,311	0.00%	472,633	1,201,095	1,673,728	-	1,673,728	2.20x	2.20x	
2027	3,674,311	0.00%	470,864	1,204,345	1,675,209	-	1,675,209	2.19x	2.19x	
2028	3,674,311	0.00%	468,786	1,204,470	1,673,256	-	1,673,256	2.20x	2.20x	
2029	3,674,311	0.00%	471,321	1,202,845	1,674,166	-	1,674,166	2.19x	2.19x	
2030	3,674,311	0.00%	473,391	1,203,395	1,676,786	-	1,676,786	2.19x	2.19x	
2031	3,674,311	0.00%	470,074	1,206,295	1,676,369	-	1,676,369	2.19x	2.19x	
2032	3,674,311	0.00%	471,369	1,202,895	1,674,264	-	1,674,264	2.19x	2.19x	
2033	3,674,311	0.00%	472,201	1,203,195	1,675,396	-	1,675,396	2.19x	2.19x	
2034	3,674,311	0.00%	-	1,677,395	1,677,395	-	1,677,395	2.19x	2.19x	
2035	3,674,311	0.00%	-	1,676,190	1,676,190	-	1,676,190	2.19x	2.19x	
2036	3,674,311	0.00%	-	1,673,543	1,673,543	-	1,673,543	2.20x	2.20x	
2037	3,674,311	0.00%	-	1,677,400	1,677,400	-	1,677,400	2.19x	2.19x	
2038	3,674,311	0.00%	-	1,677,900	1,677,900	-	1,677,900	2.19x	2.19x	
			\$ 7,533,252	\$ 26,442,898	\$ 33,976,150	\$ 256,721	\$ 34,232,871			

Assumptions

- (1) Preliminary analysis assumes Net Revenues of \$3,674,311 for purposes of illustration (FY 2017 amount).
- (2) Preliminary Series 2018 Utility System Revenue Bonds assume a November 28, 2018 delivery date, current "A+" underlying & insured rates as of August 20, 2018 plus 0.35%, \$18,000,000 project deposit and a springing reserve fund for purposes of illustration.
- (3) Utility-supported G.O. debt service consists of the City's 2012 G.O. Refunding Bonds (refunded the 2003 Utility Revenue Bonds).



CITY COUNCIL MEMO

DATE: September 12, 2018

TO: Mayor and City Council

FROM: Brian Jordan, AICP

SUBJECT: Appointment to Zoning Board of Adjustment

Summary:

At present, the Board of Adjustment only has 5 members. Under normal circumstances, we have 5 regular members and 2 alternate members. This has been a problem recently where we have had to cancel meetings due to the lack of a quorum. Mr. Jeff Lawrence has submitted his application for appointment to the Planning and Zoning Commission (attached). I, along with a couple of the Council have met with Jeff to see if he would be interested in serving on the Board of Adjustment. He has expressed his willingness to do so.

Recommendation:

Appoint Mr. Lawrence to the Board of Adjustment.

Background / Analysis:

It is our normal policy that members attend a minimum of 75% of the meetings. Jeff has been made aware of this policy and stated he understands this completely.

The City of Fredericksburg

90

Attachments:

Application.



Department Approval

City Manager Approval

The City of Fredericksburg

91

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



City of Fredericksburg

Application for Consideration of Appointment

Board / Commission / Committee You Are Applying For: (Check all that may apply)

- ☒ Planning & Zoning ☐ Historic Review Board ☐ Board of Adjustment
☐ G.C. Economic Development Commission ☐ City/County Health Board
☐ Other _____

Name: Jeff Lawrence Date: 7/13/18
(Title) (First) (M.I.) (Last)

Home Address: 604 Prickly Pear Court 830-992-3264
(Street) (Home Phone Number)

Mailing Address: As Above 512-775-6805 (cell-best # to contact)
(Street or Post Office Box #) (Business Phone Number)

Fax Number: _____ E-mail Address: JeffLawrence97@gmail.com

Employer: Self-Employed
(Name / Address)

Occupation: Run 2 B+B's in town (Keidel Inn & Gasthaus - leased from my Aunt, Barbara Heiver and Legacy Suite (part owner), ranch property in Kerr & Gillespie and a small wine tour co. (Keidel Wine)

Are you a qualified voter of the City of Fredericksburg? ☒ Yes ☐ No
Are you a City of Fredericksburg resident? ☒ Yes ☐ No How Long? From Nov. 1968 - Fall 1987
Moved Dec. 2009 - present
Home

If council may know more about you, please complete the following: Fredericksburg HS - class of 1987

Education: BBA in Accounting 1991 (The University of Texas at Austin); licensed CPA

Volunteer Experience / Community Service: Fredericksburg Church of Christ

Support/Aid trips to Port Aransas (after Hurricane Harvey); member of minister search committee

Areas of Interest: Future development/expansion in the city, city financial statements & budgets, short-term rental ordinance

Please specify membership on any other governmental or community board/commission/committee:

Please provide a brief narrative outlining your reasons for seeking appointment to a board or commission.

(Resumé or additional information may be attached.)

My family has a deep history here dating back to my great/great/great grandfather who was the first doctor in town in the 1800's. Our family has property & businesses in the city and Gillespie County. My wife is a nurse here at the hospital and we have two girls (Ages 6 & 8). We are deeply rooted here with a love for Fredericksburg. I would like to have a voice in city decisions. We need to be careful & thoughtful on any development/expansion in our city.

Jeff Lawrence 7/13/18
Signature Date

Please return the completed form to the City Manager's office for processing. Your application will be kept on file for 12 months.