

**CITY OF FREDERICKSBURG
CITY COUNCIL MEETING**

MONDAY, JANUARY 18, 2016 ~ 6:00 p.m.

Law Enforcement Center ~ 1601 East Main Street

Linda Langerhans, Mayor
Graham Pearson, Council Member
Jerry Luckenbach, Council Member

Gary Neffendorf, Council Member
Bobby Watson, 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. **MINUTES** - Consider Approving Minutes of November 2015 Meetings 1-6
2. **CONSENT AGENDA** - All items listed below are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a council member or citizen so requests, in which case the item will be removed from the consent agenda and considered as part of the normal order of business.
 - A. Consider Old Electric Transmission Line Easement 7-8
 - B. Consider CVB Board Appointment 9
3. **INDIVIDUAL ITEMS FOR CONSIDERATION AND POSSIBLE ACTION**
 - A. Receive and Consider Approval of Charter Committee's Proposed Amendments to the City Charter 10-30
 - B. Receive and Discuss 2016 HOT Applications 31-34
 - C. Consider Tax Collection Contract with Gillespie Central Appraisal District 35-47
 - D. Consider Atmos Franchise (first reading) 48-63
4. **CITY MANAGER'S REPORT**
 - A. Parks & Recreation Directors Position
 - B. Parks Master Plan - Special City Council Meeting
 - C. City Manager 2016 Performance Goals
 - D. City Employee Recognitions
5. **ITEMS FOR FUTURE AGENDAS**
6. **PUBLIC COMMENTS** This time is for citizens to address the City Council on issues and items of concern not on this agenda. There will be no City Council action at this time.
7. **COUNCIL COMMENTS** - No discussion or action may take place
8. **EXECUTIVE SESSION** - Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).
 - A. Executive Session - Deliberations About Real Property - 308 E Austin Property
9. **ADJOURN**

STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
NOVEMBER 2, 2015
6:00 PM

On this the 2nd day of November, 2015, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

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

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
SHELLEY BRITTON - CITY SECRETARY
PAT McGOWAN - CITY ATTORNEY
CLINTON BAILEY - D.P.W.U.
BRIAN JORDAN - DIR OF DEVELOPMENT SERVICES
LAURA HOLLENBEAK - DIR OF FINANCE
RUSSELL IMMEL - IT MANAGER
STEVE WETZ - POLICE CHIEF

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

PUBLIC COMMENTS – Comments were received from the following regarding the Noise Ordinance: Jim Chapman, John Graham, Patrick Keating, Mimi Taylor, David Mann, Graham Warrick, Dudley Althaus, Robert Latido, Sean Smajstrala, Susan Danzler, Susan Shanks, Patricia Henke, Janie Scolfield, Kelly Lucker, Rick Boseley, Steve Morris, and Trey O'Connor.

MINUTES – It was moved by Council Member Watson, seconded by Council Member Neffendorf, to approve the minutes of the September 2015 meetings as presented. All voted in favor and the motion carried.

ORDINANCE ANNEXING APPROXIMATELY 18.076 ACRES OF LAND OUT OF WILLIAM H. ANDERSON SURVEY NO. 197, ABSTRACT NO. 2, OTHERWISE KNOWN AS STONE RIDGE UNIT 9 – It was moved by Council Member Luckenbach, seconded by Council Member Watson, to adopt an Ordinance annexing approximately 18.076 acres of land out of William H. Anderson Survey No. 197, Abstract No. 2, otherwise known as Stone Ridge Unit 9. All voted in favor and the motion carried.

ORDINANCE NO. 25-029

AN ORDINANCE ANNEXING TO THE CITY OF FREDERICKSBURG, TEXAS, AN 18.076 ACRE TRACT OUT OF A REMAINING PORTION OF A 258 ACRE TRACT AS DESCRIBED IN VOLUME 63, PAGE 366, DEED RECORDS OF GILLESPIE COUNTY, TEXAS, BEING SITUATED IN THE WILLIAM H. ANDERSON SURVEY NO. 197, ABSTRACT NO. 2, GILLESPIE COUNTY, TEXAS; EXTENDING THE 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 RIGHTS AND PRIVILEGES OF OTHER CITIZENS OF THE CITY OF FREDERICKSBURG, TEXAS; BINDING THE INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY BY ANY AND ALL ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF SAID CITY OF FREDERICKSBURG, TEXAS. (Recorded in Ordinance Book)

LEASE AGREEMENT FOR RED BIRD GRILL – It was moved by Council Member Pearson, seconded by Council Member Luckenbach, to approve a Lease Agreement for Red Bird Grill with bob Neutze Jr. for a six-month period beginning November 5. The vote was as follows: AYE: Langerhans, Pearson, Neffendorf, Watson, and Luckenbach; NAY: None. Motion carried.

PROCESS FOR REQUESTING, APPROVING, AND REPORTING ON USE OF HOT FUNDS – Following a discussion on HOT funding requests and reporting forms, no changes were made to the process.

CITY MANAGER'S REPORT – City Manager Kent Myers reported on (1) Fire Chief Interviews, (2) Affordable Housing, (3) Parks Master Plan, and (4) City Employee Recognitions.

EXECUTIVE SESSION - It was moved by Council Member Luckenbach, seconded by Council Member Watson, to recess the regular session and go into Executive Session at 8:58 PM. All voted in favor and the motion carried. At 9:13 PM, it was moved by Council Member Luckenbach, seconded by Council Member Pearson, to adjourn the Executive Session and reconvene the regular session. All voted in favor and the motion carried.

Following Executive Session, the following action was taken:

CHARTER AMENDMENT – No action.

MID-YEAR PERFORMANCE REVIEW: MUNICIPAL COURT JUDGE –It was moved by Council Member Pearson, seconded by Council Member Watson, to provide a salary increase to \$50,000/year. The vote was as follows: AYE: Langerhans, Pearson, Neffendorf, Watson, and Luckenbach; NAY: None. Motion carried.

With no further discussion, Council Member Luckenbach made a motion to adjourn the meeting at 7:30 PM. Council Member Watson seconded the motion. Motion carried.

PASSED AND APPROVED this the 18th day of January, 2016.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR

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STATE OF TEXAS
COUNTY OF GILLESPIE
CITY OF FREDERICKSBURG

REGULAR CITY COUNCIL MEETING
NOVEMBER 16, 2015
6:00 PM

On this the 16th day of November, 2015, the City Council of the CITY OF FREDERICKSBURG convened in regular session at the Law Enforcement Center, with the following members present to constitute a quorum:

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

ABSENT: NONE

ALSO PRESENT: KENT MYERS - CITY MANAGER
SHELLEY BRITTON - CITY SECRETARY
LAURA HOLLENBEAK - DIR OF FINANCE
CLINTON BAILEY - D.P.W.U.
BRIAN JORDAN - DIR OF DEVELOPMENT SERVICES
STEVE WETZ - POLICE CHIEF

The meeting was reconvened at 6:00 PM following the Pledge of Allegiance.

PUBLIC HEARING ON Z-1517 BY PENICK REAL ESTATE (1) FOR A CHANGE IN THE LAND USE PLAN FROM LOW DENSITY RESIDENTIAL AND HIGH DENSITY RESIDENTIAL TO COMMERCIAL AND (2) CHANGE ZONING FROM R-1 SINGLE FAMILY RESIDENTIAL ON THE SOUTH SIDE OF FRIENDSHIP LANE, AND R-3 MULTI FAMILY RESIDENTIAL ON THE NORTH SIDE OF FRIENDSHIP LANE, AND R-3 MULTI FAMILY RESIDENTIAL ON THE NORTH SIDE OF FRIENDSHIP TO C-1 NEIGHBORHOOD COMMERCIAL – It was moved by Council Member Pearson, seconded by Council Member Watson, to recess the regular session and open the public hearing on Z-1517 for a Change in the land Use Plan and zoning related to property on the North Side of Friendship Lane to C-1 Neighborhood Commercial.

Comments were received by Betty Harper in opposition to the request. With no further comments from the public, it was moved by Council Member Pearson, seconded by Council Member Neffendorf, to adjourn the Public Hearing and reconvene the regular session. All voted in favor and the motion carried.

RECOMMENDATION AND ORDINANCES RE: Z-1517 – It was moved by Council Member Watson, seconded by Council Member Luckenbach, to approve Z-1517 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

ORDINANCE NO. 25-026

AN ORDINANCE ADOPTING A CHANGE IN THE COMPREHENSIVE PLAN OF THE CITY OF FREDERICKSBURG; SPECIFICALLY IN THE LAND USE MAP AND COMPREHENSIVE PLAN AS TO TRACT 1: 22.01 ACRES OUT OF THE DeBRANT SURVEY NO. 42, ABSTRACT NO. 180, SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS AND TRACT 11: 12.78 ACRES OUT OF THE G. DeBRANT SURVEY NO. 42, ABSTRACT NO. 180, SITUATED IN THE CITY OF FREDERICKSBURG, PROVIDING THAT THE PLANNED USE OF SAID TRACTS BE CHANGED TO COMMERCIAL AND THAT SAID CHANGE BECOME A PART OF THE COMPREHENSIVE PLAN AND PROVIDING FOR AN EFFECTIVE DATE. (Recorded in Ordinance Book)

ORDINANCE NO. 25-027

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF FREDERICKSBURG AND CHANGING THE ZONING CLASSIFICATION OF TRACT 1: 22.01 ACRES OUT OF THE DeBRANT SURVEY NO. 42, ABSTRACT NO. 180 SITUATED IN THE CITY OF FREDERICKSBURG, TEXAS AND TRACT 11: 12.78 ACRES OUT OF THE G. DeBRANT SURVEY NO 42 ABSTRACT NO. 180, SITUATED IN THE CITY OF FREDERICKSBURG, FROM R-2 MULTI FAMILY RESIDENTIAL (TRACT 1) AND R-1 SINGLE FAMILY RESIDENTIAL (TRACT 11) TO C-1 NEIGHBORHOOD COMMERCIAL. (Recorded in Ordinance Book)

PUBLIC HEARING ON Z-1518 BY GABLE S. CORPORATION FOR A CONDITIONAL USE PERMIT TO ALLOW A HOTEL/MOTEL IN THE CBD, CENTRAL BUSINESS DISTRICT ON PROPERTY LOCATED AT 406 E. MAIN ST. – It was moved by Council Member Luckenbach, seconded by Council Member Watson, to recess the regular session and open the public hearing on Z-1518 for a Conditional Use Permit to allow a Hotel/Motel in the CBD, Central Business District on property located at 406 E. Main St. All voted in favor and the motion carried.

Shaesby Scott was on hand to present the request, describing the changes to his original plan.

With no further comments from the public, it was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to adjourn the Public Hearing and reconvene the regular session. All voted in favor and the motion carried.

RECOMMENDATION RE: Z-1518 – It was moved by Council Member Pearson, seconded by Council Member Neffendorf, to approve Z-1518 as presented. The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

ORDINANCE AMENDING FOOD ESTABLISHMENT REGULATIONS – Kelli Olfers presented the new Texas Food Establishment Rules (TFER) found in the Texas Administrative Code Chapter 228.1 through 228.278. It was moved by Council Member Watson, seconded by Council Member Luckenbach, to adopt the Ordinance amending Food Establishment Regulations.

ORDINANCE NO. 25-028

AN ORDINANCE AMENDING CHAPTER 8 – BUSINESSES ARTICLE V. ENTITLED FOOD ESTABLISHMENT REGULATIONS, OF THE CODE OF ORDINANCES OF THE CITY OF FREDERICKSBURG TO UPDATE STATE LAW REFERENCES TO THE TEXAS ADMINISTRATIVE CODE, CORRECTING A NUMBERING ERROR AND ESTABLISHING AN EFFECTIVE DATE. (Recorded in Ordinance Book)

UPDATE ON DOG PARK AGREEMENT – Jody Donavon presented a request to extent the agreement for the Dog Park to January 2017. It was moved by Council Member Pearson, seconded by Council Member Watson, to approve the request to extend the Dog Park Agreement to January 2017. The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

HEALTH BOARD APPOINTMENTS – It was moved by Council Member Pearson, seconded by Council Member Watson, to approve the appointments to the Health Board as follows: David Kemp and Brett Beyer to three year terms, and reappoint Cynthia England to another (three-year) term. The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

FCVB BOARD NOMINATIONS – It was moved by Council Member Luckenbach, seconded by Council Member Neffendorf, to approve the reappointments to the FCVB as follows: Eric Bryla, Bobbi McDaniel, and Kathy Gutierrez (three-year terms). The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

VOTES FOR GILLESPIE CENTRAL APPRAISAL DISTRICT BOARD – It was moved by Council Member Pearson, seconded by Council member Watson, to split the votes equally (72) between the nominees, with the extra vote going to Tim Dooley (73). All voted in favor and the motion carried.

CONTRACT FOR PROFESSIONAL SERVICES – TDS AND CHLORIDE STUDY – Kris Kneese presented the background on the Professional Services Contract – TDS and Chloride Study. It was moved by Council Member Pearson, seconded by Council Member Watson, to approve the contract with HDR Engineering for \$43,200.00. The vote was as follows: AYE: Langerhans, Neffendorf, Luckenbach, Watson, and Pearson. Motion carried.

CITY MANAGER'S REPORT - City Manager's Report included (1) Golf Course Financial Update, (2) Proposed Animal Shelter, (3) Parks Master Plan, (4) City Employee Recognitions.

PUBLIC COMMENTS – Russ Rose commented on the golf course.

COUNCIL COMMENTS – Council Members commented on various board meetings attended.

With no further business, Council Member Neffendorf made a motion to adjourn the meeting at 9:35 PM. Council Member Pearson seconded the motion. Motion carried.

PASSED AND APPROVED this the 18th day of January, 2016.

SHELLEY BRITTON, CITY SECRETARY

LINDA LANGERHANS, MAYOR



CITY COUNCIL MEMO

DATE: January 11, 2016

TO: Mayor and City Council

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

SUBJECT: Release of Electric Easement – 514 Franklin Street

Summary:

The City has an electric easement located on a property at 514 Franklin Street. The property owners are requesting that the electric easement be released since the City no longer has an electric line in the easement.

Recommendation:

City Staff recommends releasing the electric easement from the said property.

Background / Analysis:

On February 15, 1947, the City obtained an electric transmission line easement from Mr. Arthur Danz. The City had an electric line within this easement until the early 1990s, until the electric line was relocated to Franklin Street within the street right-of-way.

The property owners at 514 Franklin Street, Larry and Linda Nevels, are requesting that the City release the said electric easement that runs across their property. Engineering Staff supports this request, since

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The City of Fredericksburg

the City will not use this electric easement in the future. City Staff recommends releasing the electric easement from the said property.

Attachments:

Department Approval

City Manager Approval

A handwritten signature in blue ink, appearing to be "JL 3/17", is written over the City Manager Approval line.

The City of Fredericksburg



CITY COUNCIL MEMO

DATE: January 12, 2016
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: CVB Board Appointment

Summary:

The CVB currently has one additional vacancy on their Board of Directors. They have recommended that Lee Hereford, President/CEO of Pedernales Brewing, be appointed to this position.

Recommendation:

It is recommended that Lee Hereford be appointed to the CVB Board of Directors.

Background / Analysis:

Attachments:


Department Approval


City Manager Approval

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The City of Fredericksburg



CITY COUNCIL MEMO

DATE: January 12, 2016
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Charter Committee Recommendations

Summary:

Members of the Charter Review Committee will be present at Monday's Council meeting to present their final report and recommendations for changes to the City Charter that should be considered by local voters this May.

Recommendation:

It is recommended that the City Council approve the recommendations of the Charter Review Committee and direct staff to include the proposed changes to the City Charter on the May ballot.

Background / Analysis:

Last year the City Council appointed a Charter Review Committee (see attached listing of members) to review the City Charter and recommend any updates or changes. The Committee has met on a monthly basis for the past six months and has reviewed every section of the Charter in detail. At their final meeting this week, they unanimously approved 28 changes to the City Charter shown in the attached report. The primary reason that there are so many changes is the fact that the Charter has not been reviewed since it was originally approved over 25 years ago.

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The City of Fredericksburg

The Committee also recommended that the ballot list each proposition individually and not include a single vote that would approve or reject all of the propositions.

Finally the Committee indicated a willingness to serve in an educational capacity to inform and educate local voters about the proposed changes to the City Charter including their reasons for recommending these revisions. The Council should discuss whether you would like them to serve in this capacity over the next three months.

Attachments:

Charter Review Committee Final Recommendations

Listing of Members of Charter Review Committee


Department Approval


City Manager Approval

The City of Fredericksburg

CHARTER REVIEW COMMITTEE 2015

Member	Address	Email	Phone #
Tom Musselman	904 Friendship Lane Fredericksburg, TX 78624	tommusselman@gmail.com	830-998-2171
Greg Oehler	218 Timberidge Dr. Fredericksburg, TX 786204	greg@fbgliving.com	830-456-3622
Karen Oestreich	204 W. Orchard St. Fredericksburg, TX 78624	koestreich@c21sunset.com	830-889-0295
Larry Crump	405 N. Washington Fredericksburg, TX 78624	lcrump@gillespiecounty.org	830-889-4114
Aaron Beeman	408 W. Main St. Fredericksburg, TX 78624	aaronbeeman@me.com	210-884-7654
Debbi McCurdy	404 N. Llano St. Fredericksburg, TX 78624	debbimccurdy@gmail.com	830-998-2920
Patrick Moore	119 Stone Hollow Fredericksburg, TX 78624	plm@plmcpa.com	830-992-1888
Tim Dooley	611 Persimmon St. Fredericksburg, TX 78624	dooley5-10@austin.rr.com	830-997-3458
Jim Jarreau	259 Oak Valley Dr. Fredericksburg, TX 78624	askjim@crfbg.com	830-456-3690
Tim Crenwelge	425 W. Main St. Fredericksburg, TX 78624	timc@crenwelge.com	830-739-2200
Boyd Harper	306 Westmoor St. Fredericksburg, TX 78624	bharper3@austin.rr.com	830-997-7648
Jim Hardin (Alternate)	208 Tanglewood Dr. Fredericksburg, TX 78624	jhardin001@austin.rr.com	830-997-5485
EX OFFICIO			
Gary Neffendorf	126 W. Main St. Fredericksburg, TX 78624	gneffendorf@utexas.edu	830-456-2864
Bobby Watson	126 W. Main St. Fredericksburg, TX 78624	bobby@millerequip.com	830-456-8190
STAFF SUPPORT			
Kent Myers	126 W. Main St. Fredericksburg, TX 78624	kmyers@fbgtx.org	830-997-7521
Pat McGowan	126 W. Main St. Fredericksburg, TX 78624	patfmcg@austin.rr.com	830-997-4315
Shelley Britton	126 W. Main St. Fredericksburg, TX 78624	sbritton@fbgtx.org	830-997-7521

PROPOSED CITY CHARTER AMENDMENTS

Committee Members: Tim Crenwelge - Chairman, Greg Oehler-Vice Chairman, Larry Crump, Debbie McCurdy, Tim Dooley, Jim Hardin, Boyd Harper, Jim Jarreau, Patrick Moore, Tom Musselman, Karen Oestreich, Aaron Beeman (Alternate), and Councilmembers Gary Neffendorf and Bobby Watson.

Note: The following are related to the original adoption of the charter and are therefore grouped together for deletion

PROPOSITION NO. 1

EXISTING SECTION SHOWING THE CHANGE

• ~~Sec. 6.06. - Election of Mayor and Councilmembers.~~

~~The existing mayor and councilmembers shall continue to hold office until their terms expire on May 15, 1992. On the second Saturday in August, 1991, a special election shall be held to elect two (2) additional councilmembers. The two (2) councilmembers elected on the second Saturday in August, 1991 shall serve a term which shall expire on May 15, 1993. Each mayor and councilmember, with the exception of the two (2) councilmembers elected on the second Saturday of August, 1991, shall serve a term of two (2) years. All elections subsequent to the special election held on the second Saturday in August, 1991 shall be held on the first Saturday in May of each year or such dates as may be prescribed by State law.~~

BALLOT LANGUAGE

Shall Section 6.06.- "Election of Mayor and Councilmembers " of the City Charter be deleted as it applies to the 1991 election of the mayor and council?

PROPOSITION NO. 2

EXISTING SECTION SHOWING THE CHANGE

• ~~Sec. 12.10. - Effect of Charter on Existing Law.~~

~~All ordinances, resolutions, and contracts now in force under the city government of Fredericksburg and not in conflict with the provisions of this charter shall remain in force under this charter until altered, amended or repealed by the city council after this charter takes effect. All rights of the city under existing franchises and contracts and all existing authority for the issuance of bonds, not in conflict with the provisions of this charter, shall be preserved in full force and effect.~~

BALLOT LANGUAGE

Shall Section 12.10.- "Effect of Charter on Existing Law" of the City Charter be deleted as it relates to the original adoption of the Charter and is no longer relevant?

PROPOSITION NO. 3

EXISTING SECTION SHOWING THE CHANGE

• **~~Sec. 12.11.- Interim Municipal Government.~~**

(a)

~~Upon the adoption of this charter, those persons holding elective offices shall continue to serve until the expiration of their present terms and thereafter shall be elected as provided in Article VI of this charter.~~

(b)

~~During such interim, persons, who on the date this charter is adopted are employed or filling appointive positions with the City of Fredericksburg which are retained under this charter, may continue to fill those positions for the term for which they were employed or appointed.~~

(c)

~~All rights, claims, orders, contracts, and legal or administrative proceedings shall continue except as modified pursuant to the provisions of this charter and in each case shall be maintained, carried on, or dealt with by the city department, office, or agency appropriate under this charter.~~

(d)

~~The budget in effect immediately preceding the adopting of this charter shall remain in effect for the balance of the fiscal year and until such time as a new budget is adopted for the next succeeding year.~~

BALLOT LANGUAGE

Shall Section 12.11 subsections (a), (b) and (c).- "Interim Municipal Government " of the City Charter be deleted it and all subsections relate to the original adoption of the Charter and is no longer relevant?

PROPOSITION NO. 4

EXISTING SECTION SHOWING THE CHANGE

• ~~Sec. 12.18. - Submission of Charter to Voters.~~

~~The Home Rule Charter Commission in preparing this charter finds and decides that it is impracticable to segregate each subject so as to permit a vote of "yes" or "no" on the same, for the reason that the charter is so constructed that in order to enable it to work and function it is necessary that it should be adopted in its entirety. For these reasons, the charter commission directs that said charter be voted upon as a whole and that it shall be submitted to the qualified voters of the City of Fredericksburg at an election to be held for that purpose on the 20th day of January, 1990. Not less than thirty (30) days prior to such election, the city council shall cause the city secretary to mail a copy of this charter to each qualified voter of the City of Fredericksburg as appears on the latest voter registration roll. If a majority of the qualified voters voting in such election shall vote in favor of the adoption of this charter, it shall become the Home Rule Charter of the City of Fredericksburg and after the returns have been canvassed, the same shall be declared adopted, and the city secretary shall file an official copy of the charter with the records of the city. The city secretary shall furnish the mayor with a copy of said charter, which copy of the charter so adopted, authenticated and certified by his signature and the seal of the city, shall be forwarded by the mayor to the Secretary of State of the State of Texas and shall show the approval of such charter by majority vote of the qualified voters voting at such election.~~

BALLOT LANGUAGE

Shall Section 12.18.- "Submission of Charter to Voters" of the City Charter be deleted as it relates to the original election for the adoption of the Charter and is no longer relevant?

The following are the changes to the Charter recommended by the City's Charter Review Committee.

PROPOSITION NO. 5

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 3.02. - Qualifications.**

Each member of the city council shall be eligible to be a candidate for public elective office in the State of Texas, a qualified voter of the State of Texas, a resident citizen of

the City of Fredericksburg and ~~shall be a qualified voter of the State of Texas~~, shall have been such resident citizen of the City of Fredericksburg for a period of not less than twelve months immediately preceding his election and shall not be indebted to the City of Fredericksburg provided, however, that any person with the above qualifications, except as the residence, who shall have been a resident for a period of not less than twelve months immediately preceding his election of any of the territory not formerly within the corporate limits of said city, but which is annexed under the provisions of this charter, shall be eligible for said office. If any councilmember fails to maintain the foregoing qualifications, the city council must at its next regular meeting declare a vacancy to exist and shall fill said vacancy as set forth in [Section 3.07](#) of this charter. If any councilmember shall be absent from three consecutive regular meetings without valid excuse, the city council may declare a vacancy to exist and fill said vacancy as set forth in [Section 3.07](#) of the charter.

BALLOT LANGUAGE

Shall Section 3.02.- "Qualifications" of the City Charter be amended to add that each member of the city council shall be eligible to be a candidate for public elective office in the state of Texas?

PROPOSITION NO. 6

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 3.04. - Compensation.**

Compensation shall be set by municipal ordinance. **Commencing June 1, 2017,** ~~the~~ **first** the city council to take office shall receive the following compensation: mayor, ~~\$400.00~~ **\$850.00** per month **and** each councilmember, ~~\$250.00~~ **\$550.00** per month. In addition, each shall be paid for any actual and necessary expenses incurred while in the discharge of the duties of the office, upon presentation of an itemized statement of such expense to the city council and approved by the city council. Any adjustments to salary compensation shall be by municipal ordinance. Any increase in salary compensation by ordinance shall not become effective until the date of commencement of terms of office of the councilmembers or mayor elected at the next scheduled regular election.

BALLOT LANGUAGE

Shall Section 3.04.- "Compensation" of the City Charter be amended to provide that the mayor receive \$850.00 per month and each councilmember \$550.00 per month commencing June 1, 2017?

PROPOSITION NO. 7

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 3.12. - Procedure for Passage of Ordinances.**

The city council shall legislate by ordinance, and the enacting clause of every ordinance shall be "Be it ordained by the city council of the City of Fredericksburg." The city attorney shall approve all ordinances adopted by the city council, as to the legality thereof, or shall file with the city secretary his written legal objections thereto. Evidence of the approval of an ordinance by the city attorney may be by notation on the ordinance itself, or by separate paper or instrument. Every ordinance enacted by the city council shall be signed by the mayor, mayor pro tem or two councilmembers and shall be filed with and recorded by the city secretary. All proposed ordinances shall be read in open meeting of the city council, provided that all readings of any ordinance may be by descriptive caption only, except that one member of the council may require a complete reading of any ordinance upon the reading thereof, and all ordinances shall be posted at city hall.

Except as otherwise provided by law or this charter, the city secretary shall give notice of the enactment of every ordinance imposing any penalty, fine or forfeiture for any violation of any of its provisions, and of every other ordinance required by law or this charter to be published, by causing the said ordinance, or its caption and penalty, to be published at least one time within ten (10) days after final passage thereof in the newspaper of general circulation of the City of Fredericksburg. The affidavit of such publication by the publisher of such newspaper taken before any officer authorized to administer oaths and filed with the city secretary, shall be conclusive proof of the legal publication and promulgation of such ordinance in all courts. ~~Such ordinance shall take effect ten (10) days after the date of such publication, provided that any ordinance passed as an emergency measure as prescribed in this section shall take effect immediately on its publication.~~ All ordinances shall become effective upon the date stated in the ordinance; if no date is stated, then the ordinance shall become effective ten (10) days after its passage.

BALLOT LANGUAGE

Shall Section 3.12.- "Procedure for Passage of Ordinances" of the City Charter be amended to provide that, in addition to publication, all ordinances shall become effective upon the date stated in the ordinance, and if no date is stated, then the ordinance shall become effective ten (10) days after its passage?

PROPOSITION NO. 8

PROPOSED NEW SECTION

- **Sec. 4.03. - City Attorney.**

The city council shall appoint a city attorney who shall hold office at the pleasure of the city council, and whose compensation shall be fixed by the city council. The city attorney shall be a licensed attorney in the State of Texas. The city attorney shall be the legal advisor of and attorney and counsel for the city, shall represent the city in legal matters and shall perform other duties as prescribed by this Charter, by ordinance or other law. The city attorney shall have such staff as shall be approved by the city council.

BALLOT LANGUAGE

Shall Section 4.03.- "City Attorney" of the City Charter be added to provide that the city attorney will be appointed by the city council, shall serve at its pleasure, have compensation as fixed by the city council, be a licensed attorney in the State of Texas, be the legal advisor, attorney and counsel of the city, represent the city in legal matters, and have such other duties and staff as approved by the city council?

PROPOSITION NO. 9

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 5.01. - Municipal Court.**

There shall be established and maintained a court designated as a "municipal court" for the trial of misdemeanor offenses and other matters, with all such powers and duties as are now or hereafter may be prescribed by laws of the State of Texas.

BALLOT LANGUAGE

Shall Section 5.01.- "Municipal Court" of the City Charter be amended to provide that the municipal court shall try misdemeanors and any other matters prescribed by Texas law?

PROPOSITION NO. 10

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 5.02. - Judge of the Municipal Court.**

(a) The judge of the municipal court, and any assistant judges, shall hold their offices at the pleasure of the city council, and shall receive such salary as may be fixed by ordinance of the city council.

BALLOT LANGUAGE

Shall Section 5.02.- "Judge of the Municipal Court" subsection (a) of the City Charter be amended to provide for assistant judges, and for a salary for the judge and assistant judges as may be fixed by the city council?

PROPOSITION NO. 11

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 5.03. - Clerk of the Municipal Court.**

(a) ~~The city secretary or an assistant city secretary shall be ex-officio clerk of the municipal court.~~ A clerk of the municipal court shall be appointed by the judge of the municipal court with the approval of the city manager.

BALLOT LANGUAGE

Shall Section 5.03.- "Clerk of the Municipal Court" subsection (a) of the City Charter be amended to provide that a clerk of the municipal court shall be appointed by the judge of the municipal court with the approval of the city manager?

PROPOSITION NO. 12

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 7.03. - Form of Recall Petition.**

The recall petition mentioned above must be addressed to the city council of the City of Fredericksburg, must distinctly and specifically point out the ground or grounds upon which such petition for removal is predicated, and if there be more than one ground, shall specifically state each ground with such certainty as to give the officer sought to be removed notice of the matters and things with which he is charged. The signature shall be verified by oath in the following form:

"State of Texas

County of Gillespie

I, _____ being first duly sworn, on oath depose and say that I am one of the signers of the above petition; and that the statements made therein are true, and that each signature was made in my presence on the day and date it purports to have been made, and that each voter is a resident and **qualified registered** voter within the City of Fredericksburg, and I solemnly swear that the same is the genuine signature of the person whose name it purports to be, **and has stated to me that he or she knows the contents of this petition.**

Signed: _____

Sworn to and subscribed before, this the _____ day of _____, 20.

Notary Public, Gillespie County, Texas"

BALLOT LANGUAGE

Shall Section 7.03.- "Form of Recall Petition" of the City Charter be amended to provide that the statement of verification of the signature of a signer of the petition include that the signer "stated to me that he or she knows the contents of this petition?"

PROPOSITION NO. 13

EXISTING SECTION SHOWING THE CHANGE

- Sec. 7.05. - Presentation of Petition to City Council.**

Within ~~ten~~ **thirty(40) (30)** days and after the date of the filing of the papers constituting the recall petition, the person performing the duties of city secretary shall **verify that the petition is in the correct form and is signed by the required number of registered voters. The city secretary will present such petition, along with his findings, to the city council. The city council will determine the validity of the petition, and act on it according to the council's determination of its validity.**

BALLOT LANGUAGE

Shall Section 7.05.- "Presentation of Petition to City Council" of the City Charter be amended to provide that the city secretary will verify that the petition is in the correct form and is signed by the required number of registered voters within 30 days after filing and present such petition, along with his findings, to the city

council, and that the city council will determine the validity of the petition, and act on it according to the council's determination of its validity?

PROPOSITION NO. 14

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 7.07. - Election to be Called.**

If an officer whose removal is sought does not resign, then it shall become the duty of the city council to order an election and fix a date for holding such recall election, the date of which election shall be the next uniform election date following the date of the public hearing provided that the timing permits compliance with applicable election laws, otherwise, the date of the election shall be the following uniform election date. ~~not less than twenty-five (25) nor more than forty-five (45) days from the date such petition was presented to the city council, or from the date of the public hearing if one was held.~~

BALLOT LANGUAGE

Shall Section 7.07.- "Election to be Called" of the City Charter be amended to provide that recall elections be on the next uniform election date which will permit compliance with applicable election laws?

PROPOSITION NO. 15

EXISTING SECTION SHOWING THE CHANGE

• ~~**Sec. 7.11. - Failure of City Council to Call an Election.**~~

~~In case all of the requirements of this charter have been met and the city council shall fail or refuse to receive the recall petition, or order such a recall election, or discharge any other duties imposed upon said city council by the provisions of this charter with reference to such recall, then the county judge of Gillespie County, Texas shall discharge any of the duties herein provided to be discharged by the person performing the duties of city secretary or by the city council.~~

BALLOT LANGUAGE

Shall Section 7.11.- "Failure of City Council to Call an Election" of the City Charter be deleted to delete the requirement that the county judge order an election if the city council refuses to do so to comply with state law?

PROPOSITION NO. 16

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 8.02. - Initiative.**

~~Qualified~~Registered voters of the City of Fredericksburg may initiate legislation by submitting a petition addressed to the city council which requests the submission of a proposed ordinance or resolution to a vote of the ~~qualified~~registered voters of the city. Said petition must be signed by ~~qualified~~registered voters of the city equal in number to ~~thirty~~ten percent (~~30~~percent10%) of the number of votes cast at the last regular municipal election of the city~~registered voters of the City of Fredericksburg~~ or two hundred (200), whichever is greater, and each copy of the petition shall have attached to it a copy of the proposed legislation. The petition shall be signed ~~within the same time as recall petitions are signed,~~ in the same manner as recall petitions are signed as ~~provided in this charter,~~ and shall be verified by oath ~~and presented to the city secretary in the manner and form provided for~~as recall petitions are verified and presented as ~~provided in this charter.~~ The petition may consist of one or more copies as permitted for recall petitions. Such petition shall be filed with the person performing the duties of city secretary. Within ~~ten~~thirty(4030) days after the filing of such petition, the person performing the duties of city secretary shall ~~verify that the petition is in the correct form and is signed by the required number of registered voters.~~ The city secretary will present such petition and proposed ordinance or resolution, along with his findings, to the city council. The city council will determine the validity of the petition, and act on it according to the council's determination of its validity.~~present petition and proposed ordinance or resolution to the city council.~~ Upon presentation to the city council of the petition and draft of the proposed ordinance or resolutions, ~~and following the determination of the city council of its validity,~~ it shall become the duty of the city council, within ~~ten (10) days or at the next regular council meeting, whichever is later,~~ after the receipt thereof, to pass and adopt such ordinance or resolution without alteration as to meaning or effect in the opinion of the persons filing the petition, or to call a special election, to be held ~~within forty-five (45) days thereafter at which the qualified voters of the City of Fredericksburg shall vote on the question of adopting or rejecting the proposed legislation.~~ However, if any other municipal election is to be held within ninety (90) days after the filing of the petition, the question may be voted on at such election.~~on the next uniform election date provided that the timing permits compliance with applicable election laws, otherwise, the date of the election shall be the following uniform election date.~~

BALLOT LANGUAGE

Shall Section 8.02.- "Initiative" of the City Charter be amended to provide that initiative petitions require the signature of the greater of 10% of the registered voters of the City of Fredericksburg or 200, will be processed by the city

secretary in a manner similar to recall petitions within 30 days and presented to the city council and acted on within the later of 10 days or the next regular council meeting by the city council, and placed on a ballot on the next uniform election date which will permit compliance with applicable election laws?

PROPOSITION NO. 17

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 8.03. - Referendum.**

QualifiedRegistered voters of the City of Fredericksburg may require that any ordinance or resolution, in whole or in part, with the exception of ordinances or resolutions issuing bonds (except as required by state law), levying taxes or appropriating money, passed by the city council be submitted to the voters of the city for approval or disapproval, by submitting a petition for this purpose within thirty (30) days after its publication. Said petition shall be addressed, prepared, dated, signed and verified as required for petitions initiating legislation as provided in this charter and shall be submitted to the person performing the duties of city secretary. Within ~~ten~~thirty (4030) days after the filing of such petition, the person performing the duties of city secretary shall verify that the petition is in the correct form and is signed by the required number of registered voters. The city secretary will present such petition and proposed ordinance or resolution, along with his findings, to the city council. The city council will determine the validity of the petition, and act on it according to the council's determination of its validity, ~~present said petition to the city council and following the determination of the city council of its validity, Thereupon the city council shall within ten (10) days or at the next regular council meeting whichever is later~~ reconsider such ordinance or resolution in whole or in part as stated in the petition, and if it does not entirely repeal same, shall submit it to popular vote as provided in [Section 8.02](#) of this charter. Pending the holding of such election, such ordinance or resolution, or part thereof as stated in the petition, shall be suspended from taking effect and shall not later take effect unless a majority of the qualifiedregistered voters voting thereon at such election shall vote in favor thereof.

BALLOT LANGUAGE

Shall Section 8.03.- "Referendum" of the City Charter be amended to provide that referendum petitions require the signature of the same number of registered voters of the City of Fredericksburg as initiative petitions, will be processed by the city secretary in a manner similar to recall petitions within 30 days and presented to the city council and acted on within the later of 10 days or the next regular council meeting by the city council, and placed on a ballot as is required for initiative petitions?

PROPOSITION NO. 18

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 9.01. - Planning and Zoning Commission.**

There shall be a city planning and zoning commission which shall consist of nine (9) members. The planning and zoning commission shall have all authority and duties as provided in state law and, or as otherwise determined by the city council.

BALLOT LANGUAGE

Shall Section 9.01.- "Planning and Zoning Commission" of the City Charter be amended to provide that the planning and zoning commission shall have all authority and duties as provided in state law and, or as otherwise determined by the city council?

PROPOSITION NO. 19

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 9.02. - Comprehensive City Plan.**

~~The comprehensive city plan for the physical development of the City of Fredericksburg shall contain the planning and zoning commission's recommendations for growth, development and beautification of the city.~~

BALLOT LANGUAGE

Shall Section 9.02.- "Comprehensive City Plan" of the City Charter be deleted as an unnecessary provision?

PROPOSITION NO. 20

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 10.02. - Preparation and Submission of Budget.**

The city manager shall submit a proposed budget containing a complete financial plan for each fiscal year. Such a budget shall be submitted to the city council not more than

one hundred twenty (120) days but not less than ~~thirty (30)~~ **sixty (60)** days prior to the beginning of each fiscal year. The budget shall contain the following:

- (a) A budget message shall outline the proposed financial policies of the city for the fiscal year, shall set forth the reasons for any major changes in expenditure and revenue items from the previous fiscal year, and shall explain any major change in financial policies.
- (b) Revenue summary.
- (c) Departmental expenditure summary.
- (d) Departmental budget.
- (e) Schedule of outstanding bonded debt.
- (f) Schedule of capital outlays by department.
- (g) Review of property valuations.
- (h) An analysis of tax rates.
- (i) Tax levies and tax collection by year for the last three (3) years.
- (j) The appropriation ordinance.
- (k) The tax levying ordinance.
- (l) A provision for financing the current capital improvement program.

BALLOT LANGUAGE

Shall Section 10.02.- "Preparation and Submission of Budget" of the City Charter be amended to provide that the City Manager submit the annual budget to the city council at least 60 days prior to the beginning of each fiscal year?

PROPOSITION NO. 21

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 10.14. - General Obligation Bonds and other Debt.**

The city shall have the power to borrow money on the credit of the city and to issue general obligation bonds, **certificates of obligation, tax limited notes or any other debt instruments not prohibited by the constitution, and laws of the State of Texas**, for permanent public improvements or for any other public purpose not prohibited by the constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the city previously issued. All bonds shall be issued in conformity with the laws of the State of Texas.

BALLOT LANGUAGE

Shall Section 10.14.- "General Obligation Bonds" of the City Charter be amended to provide that the city may issue certificates of obligation, tax limited notes or any other debt instruments not prohibited by the constitution, and laws of the State of Texas?

PROPOSITION NO. 22

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 10.15. - Revenue Bonds.**

The city shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the constitution, and laws of the State of Texas and to issue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable solely from the properties, or interest therein pledged, or the income therefrom or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised to or to be raised by taxation. Revenue bonds may be issued secured by revenue but backed by taxation as a combination bond, in which case the holders of such bonds shall have the right to demand payment thereof out of monies raised to or to be raised by taxation according to the terms of such bonds. All such bonds shall be issued in conformity with the laws of the State of Texas.

BALLOT LANGUAGE

Shall Section 10.15.- "Revenue Bonds" of the City Charter be amended to clarify that the city may issue combination revenue and tax bonds in conformity with the laws of the State of Texas?

PROPOSITION NO. 23

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 10.17. - Competitive Bidding.**

The City of Fredericksburg shall take competitive bidding in accordance with Section 252.01 of the V.T.C.A., Local Government Code. Chapter 252 of the Texas Local Government Code.

BALLOT LANGUAGE

Shall Section 10.17.- "Competitive Bidding" of the City Charter be amended to update the statutory reference to the Local Government Code?

PROPOSITION NO. 24

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 11.02. - Franchise Powers of the City Council.**

The city council shall have the power by ordinance to grant, amend, renew, and extend all franchises of all public utilities of every character, including cable television, operating within the City of Fredericksburg. All ordinances granting, amending, renewing, or extending franchises for public utilities shall be read at two (2) separate regular meetings of the city council and shall not be finally passed until thirty (30) days after the first reading; and no such ordinance shall take effect until thirty (30) days after its final passage; and, pending such time, the full text of such ordinance shall be published once a week for three (3) consecutive weeks in a newspaper for of general circulation of in the City of Fredericksburg and the expense of such publication shall be borne by the proponent of the franchise. No public utility franchise shall be granted for a term of more than twenty (20) years. ~~(or ten (10) years in the case of cable television franchise) nor be transferred except with the approval of the city council expressed by ordinance.~~ (Please note, with your permission the "of/in" change has been eliminated as too insignificant-OK?)

BALLOT LANGUAGE

Shall Section 11.02.- "Franchise Powers of the City Council" of the City Charter be amended to eliminate the provision that a cable television franchise shall not be granted for a term of more than 10 years and that the same cannot be transferred except with the approval of the city council expressed by ordinance?

PROPOSITION NO. 25

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 12.01. - Publicity of Records.**

All records and accounts of every office, department or agency of the city shall be open to the public in accordance with the open records laws of the United States and the

~~State of Texas inspection at the city hall by any citizen or by any representative of the press at all reasonable times and under such reasonable regulations as may be established by the city council. , provided that police records, vital statistics and other~~ Records closed to the public by law shall not be considered records for the purpose of this section.

BALLOT LANGUAGE

Shall Section 12.01.- "Publicity of Records" of the City Charter be amended to provide that all records of the city be open to the public in accordance with the open records laws of the United States and the State of Texas?

PROPOSITION NO. 26

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 12.03. - Prohibitions**

(b) Penalties. Any person who by himself or with others violates any of the provisions or paragraphs (1) through (3) of the preceding subsection (a) shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not more than ~~the maximum permitted by law one hundred dollars (\$100.00)~~. Any person who by himself or with others violates any of the provisions of paragraph (4) of the preceding subsection (a) shall be guilty of an offense and upon conviction thereof shall be punishable by a fine of not more than ~~the maximum permitted by law one hundred dollars (\$100.00)~~. Any person convicted under this section shall be ineligible for a period of five (5) years thereafter to hold any city office or position and, if an officer or employee of the city, shall immediately forfeit his office or position.

BALLOT LANGUAGE

Shall Section 12.03.- "Prohibitions" subsection (b) of the City Charter be amended to provide that the penalties for illegal discrimination, bribery in employment, political solicitation of subordinates or participating in the political campaign of a municipal candidate be changed from \$100.00 to not more than the maximum permitted by law?

PROPOSITION NO. 27

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 12.07. - Special Provisions Covering Damage Suits.**

Before the city shall be liable to damage claim or suit, for personal injury, or damage to property, the person who is injured or whose property is damaged, or someone in his behalf, shall give the city manager or the person performing the duties of city secretary, notice in writing, duly verified, within ~~thirty (30)~~ sixty (60) days after the occurrence of the alleged injury or damage, stating specifically in such notice when, where, and how the injury or damage was sustained and setting forth the extent of the injury or damage as accurately as possible. No action at law for damages shall be brought against the city for personal injury or damage to property prior to the expiration of thirty (30) days after the notice herein before described has been filed with the city manager or the person performing the duties of city secretary, and no later than two (2) years after the occurrence of the injury or damage to property. In case of injuries resulting in death, before the city shall be liable in damages therefor, the person or persons claiming such damages shall, after the death of the injured person, give notice as above required in case of personal injury, provided, however, that nothing contained shall be construed to mean that the City of Fredericksburg waives any rights, privileges, defense or immunities in tort actions which are provided under the common law, the constitution and general laws of the State of Texas.

BALLOT LANGUAGE

Shall Section 12.07.- "Special Provisions Covering Damage Suits" of the City Charter be amended to increase the notice period before suit is filed against the city for damages from 30 to 60 days after the occurrence?

PROPOSITION NO. 28

EXISTING SECTION SHOWING THE CHANGE

• **Sec. 12.17. - Grammatical Construction.**

(b) Whenever in this Charter the term qualified voter is used it shall mean registered voter qualified in accordance with the provisions of Section 11.002 of the Elections Code of the State of Texas, who is a resident of the City of Fredericksburg.

BALLOT LANGUAGE

Shall subsection (b) be added to Section 12.17.- "Grammatical Construction" of the City Charter to provide that "qualified voter" means "registered voter qualified in accordance with the provisions of Section 11.002 of the Elections Code of the State of Texas, who is a resident of the City of Fredericksburg?"

PROPOSITION NO. 29

EXISTING SECTION SHOWING THE CHANGE

- **Sec. 12.17. - Grammatical Construction.**

(c) The city council of the City of Fredericksburg, by majority vote of the members present at a regular meeting thereof, shall have the power and authority to update State law references made in this Charter, to amend the numbering system of this Charter and to make non-substantive clerical changes in this Charter.

BALLOT LANGUAGE

Shall subsection (c) be added to Section 12.17.- "Grammatical Construction" of the City Charter to provide that the city council shall have the authority to update State law references made in this Charter, to amend the numbering system of this Charter and to make non-substantive clerical changes in this Charter?



CITY COUNCIL MEMO

DATE: January 12, 2016
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: HOT Applications

Summary:

This year the City received a total 31 requests for Hotel Occupancy Tax (HOT) funding with a total amount of \$717,890 requested. At Monday's meeting all HOT applicants have been invited to be present to respond to any questions that the Council might have on their applications.

Recommendation:

It is recommended that the Council review the applications in the order submitted and ask the applicants any questions. The applicants should also be advised that the Council has scheduled a special meeting on February 8 at 6:00 p.m. to decide on the HOT funds that will be awarded to each applicant this year.

Background / Analysis:

Attachments:

③

The City of Fredericksburg



Department Approval



City Manager Approval

2016 Requests

Organization	City 2011 Amount	City 2012 Amount	City 2013 Amount	City 2014 Amount	City 2015 Amount	City 2016 Requested	% of Total
Admiral Nimitz Foundation	100,000	125,000	125,000	125,000	125,000	125,000	17.41
Arion Mannerchor / Herman Sons Choir	2,500	2,500	4,000	2,500	2,500	4,000	0.56
Canto Choir				2,500	2,500	2,000	0.28
Die Kunstler von Fredericksburg	2,000	2,200	2,500	2,500	2,500	2,800	0.39
Fbg Art Guild	3,000	4,000	4,000	4,000	4,000	6,650	0.93
Fbg Boys & Girls Club	5,000	10,000	3,000	1,500	1,500	1,500	0.21
Fbg Chamber - Christmas Parade	8,000	8,000	5,000	10,000	5,000	10,000	1.39
Fbg Chorale					2,500	2,500	0.35
Fbg Farmers Market	2,400	2,400	2,500	2,500	2,500	3,000	0.42
Fbg Food & Wine Festival						20,000	2.79
Fbg Jaycees - Crawfish Festival	5,000	5,000	5,000	5,000	5,000	10,000	1.39
Fbg July 4th Celebration Committee	4,000	4,500	4,500	4,500	4,500	5,000	0.70
Fbg SHINES					0	15,000	2.09
Fbg Theater Company	30,000	30,000	25,000	25,000	25,000	40,000	5.57
Fort Martin Scott Friends		0	0	1,125	0	6,000	0.84
Friends of Enchanted Rock					8,000	10,000	1.39
Friends of Gillespie County Country Schools		15,000	15,000	50,000	50,000	88,440	12.32
Gillespie County Fair & Festivals Association	40,000	40,000	40,000	45,000	45,000	55,000	7.66
Gillespie County Historical Society	125,000	125,000	100,000	75,000	50,000	135,000	18.81
Habitat For Humanity Mah Jongg Tournament						1,000	0.14
Heritage School - Eisbahn	0	3,000		3,000	3,000	5,000	0.70
Hill Country Antique Tractor Club	3,000	10,000	6,000	6,000	6,000	6,000	0.84
Hill Country Film Festival	7,000	10,000	6,500	6,500	6,500	8,000	1.11
Knights of Columbus	2,000		2,500			5,000	0.70
Optimist Club - Hill Country Run	5,000	7,500	5,000	5,000	5,000	7,000	0.98
Rotary Club - Wings Over the Hills	5,000	5,000	4,000	4,000	4,000	4,000	0.56
St. Joseph's Halle Preservation			60,000	0	40,000	100,000	13.93
Systems GO	2,600		2,500	2,500	2,500	2,500	0.35
Texas Balloon Spectacular						25,000	3.48
Texas Center for Wine & Cullinary Arts						7,500	1.04
Vereins Quilt Guild of Fredericksburg		3,000		4,000		5,000	0.70
Totals	351,500	412,100	422,000	387,125	402,500	717,890	100.00

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2016 Requests

Organization	City 2016 Approved	Approved Requested %	County 2011 Amount	County 2012 Amount	County 2013 Amount	County 2014 Amount	County 2015 Amount
Admiral Nimitz Foundation		0					
Arion Mannerchor / Herman Sons Choir		0					
Canto Choir		0			1,000		
Die Kunstler von Fredericksburg		0	1,000	1,500	1,000	1,200	1,500
Fbg Art Guild		0					
Fbg Boys & Girls Club		0					
Fbg Chamber - Christmas Parade		0	5,000	3,000	1,500	6,000	
Fbg Chorale		0					
Fbg Farmers Market		0					
Fbg Food & Wine Festival		0					
Fbg Jaycees - Crawfish Festival		0	4,000	3,000	2,000	2,500	
Fbg July 4th Celebration Committee		0					
Fbg SHINES		0					1,000
Fbg Theater Company		0	2,000				
Fort Martin Scott Friends		0					
Friends of Enchanted Rock		0					
Friends of Gillespie County Country Schools		0	10,000	16,000	15,250	34,000	39,000
Gillespie County Fair & Festivals Association		0	7,000	5,250	11,000		12,000
Gillespie County Historical Society		0	35,000	16,000	11,500	30,000	21,750
Habitat For Humanity Mah Jongg Tournament		0					
Heritage School - Eisbahn		0					
Hill Country Antique Tractor Club		0	2,000	2,000	2,000	4,000	3,000
Hill Country Film Festival		0					
Knights of Columbus		0					
Optimist Club - Hill Country Run		0	2,000	1,500	1,500	1,500	1,500
Rotary Club - Wings Over the Hills		0					
St. Joseph's Halle Preservation		0			5,000		15,000
Systems GO		0		1,000			
Texas Balloon Spectacular		0					
Texas Center for Wine & Cullinary Arts		0					
Vereins Quilt Guild of Fredericksburg		0		2,000		3,000	
Totals	0	0	68,000	51,250	51,750	82,200	94,750



CITY COUNCIL MEMO

DATE: January 12, 2016

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Tax Collection Agreement

Summary:

The Gillespie Central Appraisal District has assumed responsibility for collection of City property taxes. A new agreement is needed between the Appraisal District and local taxing entities that defines their responsibilities.

Recommendation:

It is recommended that the attached tax collection agreement be approved.

Background / Analysis:

Last year the Appraisal District began collecting taxes for the City, Fredericksburg School District and other local taxing jurisdictions. Their services have been performed very well. The attached agreement defines their responsibilities related to tax collection.

Attachments:

Letter from Appraisal District
Tax Collection Agreement



Department Approval



City Manager Approval

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The City of Fredericksburg

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GILLESPIE CENTRAL APPRAISAL DISTRICT

*Gillespie County Courthouse
101 W. Main, #11
Fredericksburg, TX 78624
Phone (830) 997-9807 ♦ Fax (830) 990-0860*

January 6, 2016

Mr. Kent Myers
City Manager
City of Fredericksburg
126 West Main Street
Fredericksburg, TX 78624

RE: Property Tax Collection Contract

Dear Mr. Myers,

Please find attached the proposed collection contract between the Gillespie Central Appraisal District and the **City of Fredericksburg**. After discussion and input from the taxing units the contract is being presented for approval by your board. The current contract ends on January 31st, so please have your board consider this contract as soon as possible. The appraisal district board will consider the contract at their meeting on January 19th.

I have attached a 2016 collection budget and allocation breakdown. The allocation is based on the water districts paying 3% of their levy with the remaining entities based on the proportion of tax bills sent. The notices of quarterly payments to fund the collections budget will be mailed later this month.

Please do not hesitate to contact me if you have any questions, comments or wish that I be in attendance at any of your board meetings.

Sincerely,

A handwritten signature in blue ink that reads "Scott Fair".

Scott Fair, RPA
Chief Appraiser

ASSESSMENT AND COLLECTION AGREEMENT

STATE OF TEXAS §

COUNTY OF GILLESPIE §

This contract is made by and between the Gillespie Central Appraisal District, hereinafter referred to as "GCAD" and the City of Fredericksburg, hereinafter referred to as "CITY", and is entered into under the provisions of Chapter 791 of the Texas Government Code and Chapter 6, Texas Tax Code.

I. PURPOSE

The parties to this contract wish to consolidate certain functions related to the collection of property taxes on property located within CITY's boundaries into one entity, GCAD. This agreement is necessary to separate collection functions from appraisal functions and to identify the actual costs incurred by GCAD to provide collection-related services.

II. TERM

This contract shall be effective from the execution date appearing below through January 31, 2017, and thereafter will be automatically extended for yearly terms commencing on February 1 of each year and ending on January 31 of each year thereafter, until terminated by one or more of the parties pursuant to the termination provisions of this contract.

III. APPOINTMENT OF CHIEF APPRAISER

A. CITY agrees that the Chief Appraiser of GCAD is hereby designated as, and shall serve as, the agent for CITY with respect to performing any of the functions described in this agreement. The Chief Appraiser may delegate this authority to act to GCAD employees.

B. CITY hereby designates the chief appraiser as its Tax Assessor/Collector for the purposes of compliance with Chapter 26 of the State Property Tax Code, as amended. In addition, the parties agree that the chief appraiser of GCAD shall perform all the duties required by law of the Tax Assessor-Collector of the County on behalf of CITY in regard to assessing and collecting ad valorem taxes, for CITY. The chief appraiser shall also perform all duties involving any tax collection reports required by the Tax Assessor/Collector for CITY.

IV. SERVICES TO BE PERFORMED

A. GCAD shall collect the ad valorem property taxes owing to CITY, the taxing units for which the GCAD is otherwise required to assess and collect taxes, and all other taxing units contracted with GCAD. GCAD further agrees to perform for CITY and said taxing units all the duties provided by the laws of the State of Texas for the collection of said taxes, unless specifically modified or restricted in this Contract.

B. GCAD shall perform all the functions set out in the Definitions section of this contract. GCAD agrees to prepare tax statements for each taxpayer of CITY. GCAD shall timely mail said tax statements to each taxpayer within the taxing jurisdiction as provided in Section 31.01 of the Texas Property Tax Code, as amended.

GCAD shall provide the following reports monthly to CITY:

- (1) Tax Collections Activity Report by Year – includes the monthly taxes collected, penalties, interest, attorney's fees, shortages, overages, and refunds for each month.
- (2) Refund Paid Report – includes the monthly detail of the refunds paid out by tax year.
- (3) Modified Bill report – includes the monthly detail of the adjustments made to the levy.
- (4) Tax Roll and summaries.
- (5) Supplements to the Tax Rolls.
- (6) Delinquent Tax Roll Report – includes all delinquent accounts by account number and name.
- (7) Any additional reports which may be requested by CITY or the delinquent tax attorneys contracted by GCAD; provided, however, that GCAD reserves the right to charge CITY for the additional actual cost of producing these additional reports. GCAD shall notify CITY of an estimate of the cost of producing additional reports and CITY shall agree to cost prior to production of the reports.

C. GCAD shall calculate the effective tax rate and the rollback tax rate after appraisal roll has been certified. CITY shall be responsible for publishing any and all notices. CITY shall provide GCAD the contact information of person GCAD will be transmitting information with concerning Truth in Taxation, effective rates, and rollback rates.

V. CALCULATION OF COSTS

A. GCAD shall estimate its costs of assessing and collecting taxes for all participating taxing units each year during its normal budgeting process. The estimate of the cost of assessing and collecting shall be approved in the same manner as the rest of GCAD's budget. Should the amount estimated for assessment and collection prove insufficient, GCAD may amend the budget at that time by utilizing the same procedures normally used to amend its budget, and shall notify the taxing units in writing of any cost changes.

B. In the event payment received in any one year exceeds the actual costs of assessing and collecting, GCAD shall reimburse CITY the excess funds collected from CITY.

C. If any costs are attributed to a single taxing unit, then that taxing unit shall pay all of such costs.

VI. ALLOCATION OF COSTS

A. Collection costs for participating entities shall be allocated using the following formula; The Gillespie County Water Control and Improvement District (WCD), the Hill Country Underground Water Conservation District (HUW), and the Stonewall Water Control and Improvement District (WDS) payments for assessing and collecting shall be equal to 3% each of the amounts levied.

B. Collection costs for participating entities for the County of Gillespie (G086), the City of Fredericksburg (CFB), Fredericksburg Independent School District (SFB), Harper Independent School District (SHP) and the Doss Common Consolidated School District (SD) shall be allocated by subtracting the WCD, HUW, WDS allocation from the approved collection budget and allocating the County, City, and Schools portions by the number of parcels assessed.

VII. PAYMENT FOR COLLECTION SERVICES

A. CITY shall make advance payments to GCAD for the estimated actual cost of providing the services under this contract. For the calendar year beginning January 1, 2016, and in subsequent years in which collection-related services are provided, GCAD shall state in its annual budget the estimated cost of providing collection-related services to CITY during each budget year. Payment shall be made quarterly in the same manner that other budget payments are made to GCAD. Adjustments to account for differences between the estimated costs of providing collection-related services and the actual costs for providing these services shall be resolved by issuing an invoice to CITY if the cost estimate was too low or by issuing a refund if the cost estimate was too high.

B. CITY agrees that all interest income accrued on funding of the District pursuant to this contract and all tax certificate fees collected by GCAD pursuant to this contract shall belong to and be retained by GCAD.

VIII. OTHER JURISDICTIONS

GCAD and CITY agree that any other political subdivision authorized under the provisions of the Property Tax Code to participate in GCAD may join in an identical, similar, or analogous contract by agreeing to its terms and conditions and further agreeing to pay such costs as may be determined by GCAD as necessary to provide services pursuant to this contract. It is expressly agreed that GCAD shall have sole discretion to estimate the costs of collecting for any additional entity which contracts to have its taxes collected, and to recalculate estimated proportionate payments for all affected entities for the year beginning the next January 1 after the additional entity contracted with GCAD to collect its taxes.

IX. EFFECTIVE DATE AND TERMINATION

A. This contract may be terminated by GCAD or by CITY effective on February 1 of any succeeding year upon proper notice to the other party. In order for notice to be effective it must be received by the other party not later than September 1 before the year for which the contract will be terminated. In the event of such termination, CITY shall be obligated to make any payment under this contract which becomes due during the last year in which the contract remained effective, and GCAD shall be obligated to provide the previously-described services through January 31 of the year in which the contract is terminated.

B. The parties may in writing agree at any time to any other termination procedure which is mutually acceptable.

X. FUNDING OUT CLAUSE

In the event of the failure of GCAD to receive or collect funds sufficient to satisfy the obligation contained herein, or of the statutory abolition of GCAD, this agreement may be terminated immediately without further liability to GCAD or to CITY.

XI. ENTIRE AGREEMENT

This contract constitutes the only agreement between GCAD and CITY relative to the providing of collection services for the period involved. This agreement supersedes any and all prior agreements and contracts which either of the parties to this contract may have previously entered into regarding the assessment or collection of property taxes.

XII. AMENDMENT

No amendment, modification, or alteration of the terms of this agreement shall be binding unless the same be (1) in writing, (2) dated subsequent to the date this agreement was originally signed, and (3) signed by each of the parties to this agreement, evidencing all necessary and proper authority.

XIII. LEGAL CONSTRUCTION

In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this Agreement shall be construed as if such invalid, illegal, or unenforceable provision[s] had never been contained in this Agreement.

XIV. REMITTANCE OF COLLECTION

The taxes collected for CITY shall be remitted to CITY not less frequently than weekly after which such sums are received by the Tax Assessor-Collector's office. GCAD shall be allowed appropriate offsets and credits for insufficient funds checks and clerical errors. The taxes collected shall be remitted to CITY not less than weekly during the months of February through October and twice a week during the months of November through January.

XV. ADMINISTRATIVE PROVISIONS

All expenses incurred by GCAD for the assessment and collection of taxes shall be clearly kept on the books and records of GCAD. CITY and CITY's designated representatives are authorized to examine the records to be kept by GCAD at such reasonable times and intervals as the parties agree to deem appropriate. Such books and records shall be kept in the offices of GCAD.

XVI. DELINQUENT TAX COLLECTIONS

CITY and GCAD agree that there will be one (1) delinquent tax attorney representing all taxing entities for which GCAD collects. This attorney shall be elected by majority of votes, with GCAD receiving one (1) vote and each taxing entity for which GCAD collects receiving one (1) vote. GCAD shall nominate an attorney by September 30th of the year and votes shall be cast by November 30th. The elected attorney shall negotiate an annual contract with GCAD that will commence on January 31st. If GCAD does not nominate an attorney by the deadline then the entities for which GCAD collects may call for an election by majority vote, with each entity and GCAD receiving one (1) vote. Votes for calling an election must be cast by October 31st. In a year where there is no election of an attorney the current attorney may enter into a new annual contract with GCAD by the following January 31st.

GCAD reserves the right to contract with an attorney or attorneys for the collection of delinquent taxes based upon the entities' votes or contentment with the current delinquent tax attorney and the right to institute all suits for the collection of delinquent taxes as GCAD deems necessary. CITY shall cooperate with GCAD and the attorney or attorneys retained by GCAD for the collection of delinquent taxes. Once accounts have been turned over to an attorney or attorneys for delinquent tax collection, the attorney or attorneys shall be responsible for the negotiation of and preparation of installment agreements for the payment of delinquent taxes on behalf of CITY. Prior to such time, GCAD shall be permitted to enter into installment agreements on behalf of CITY with delinquent taxpayers who are not in default in the payment of delinquent taxes under another installment agreement for the same taxes, provided, however, that no such installment agreements shall extend for a period of more than six (6) months unless GCAD or the delinquent tax attorney or attorneys for GCAD otherwise agree in writing. Excepting from this is that residence homestead accounts must have agreements that are a minimum of twelve (12) months and a maximum of thirty-six (36) months. CITY agrees that GCAD shall pay the delinquent tax attorney fees out of the fees collected and report payments to CITY on a regular basis.

XVII. MISCELLANEOUS PROVISIONS

A. CITY agrees to transfer to the possession and control of GCAD without charge, copies of all records necessary for the performance of the duties and responsibilities of TAX ENT pursuant to this contract. These records shall include all tax records, including delinquent tax rolls, or records not otherwise available to GCAD and which are available to CITY.

B. GCAD shall not be liable to CITY due to any failure to collect taxes nor shall the chief appraiser be liable for any failure to collect taxes unless such failure to collect taxes results from some failure on the part of the chief appraiser or appraisal district staff to perform the duties imposed by law or under this Contract.

C. This contract shall be construed and governed by the laws of the State of Texas and is performable in Gillespie County, Texas.

D. No party shall be bound by any communications between them on the subject matter of this contract unless the communication is (a) in writing, (b) bears a date contemporaneous with or subsequent to the date of this contract, and (c) is agreed to, in writing, by all parties to this contract.

E. CITY agrees that any interest accrued in the GCAD Tax Account shall accumulate for the GCAD budget year. All entities for which GCAD collects shall allow the sum of the interest to be used to pay down the collection budget in the following year.

F. Taxes, penalties, and interest collected by GCAD shall first be deposited into a depository selected by GCAD.

G. GCAD agrees to obtain a surety bond as required by applicable law.

XVIII. REFUNDS

CITY designates the chief appraiser of GCAD as its auditor for the sole purpose of approving or disapproving refunds as required by Section 31.11 of the Texas Property Tax Code up to the amount of \$5000. All refund requests in excess of \$5000 shall be sent to the taxing unit by the chief appraiser for approval by the taxing unit's governing body as required by Section 31.11.

XIX. WAIVER

The CITY designates the chief appraiser of GCAD as its agent for the sole purpose of determining if penalties and interest shall be waived up to the amount of \$500. All discretion for approving any waiver of penalties and interest up to the amount of \$500 is hereby vested with the chief appraiser of GCAD. In each case of application for waiver of penalty and interest over \$500 the chief appraiser shall send such application to the taxing unit for approval or disapproval by the taxing unit's governing body.

XX. DEFINITIONS

For purposes of this contract, the terms "assessment" and "collection" shall include but not be limited to the following: calculation of tax, preparation of current and delinquent tax rolls, proration of taxes as required by law, correction of clerical errors in tax rolls, collection of current liabilities, collection of delinquent taxes, issuance of refunds, posting of tax rates on GCAD's internet website, and calculation of an effective tax rate required by Chapter 26 of the Texas Property Tax Code, as amended. The term "assessment" shall not include those functions defined as "appraisal" by the Texas Property Tax Code, as amended.

IN WITNESS WHEREOF, this Agreement is executed by the authority of the governing bodies of the respective parties hereto on the dates shown.

Signed this _____ day of _____, 2016.

By _____
Presiding Officer, CITY

ATTEST:

Secretary, CITY

By _____
Presiding Officer, GCAD BOD

ATTEST:

Secretary, GCAD BOD

2016 GILLESPIE CAD COLLECTION BUDGET

Income	2015 Tax Collections Services	2016 Tax Collections Services	\$ Difference	% Difference
Payroll				
Payroll Benefits - Insurance	\$ 15,676	\$ 28,560	\$ 12,884	82.19%
Payroll Benefits - Retirement	\$ 9,368	\$ 14,346	\$ 4,978	53.14%
Payroll Benefits - Social Security	\$ -	\$ -	\$ -	-
Payroll Benefits - Disability Ins	\$ -	\$ 1,270	\$ 1,270	100.00%
Medicare	\$ 1,330	\$ 1,850	\$ 520	39.10%
Payroll - Chief Appraiser	\$ 15,000	\$ 15,000	\$ -	0.00%
Payroll - Deputy Chief Appraiser	\$ 5,500	\$ 5,500	\$ -	0.00%
Payroll - Collections Manager	\$ 33,333	\$ 51,500	\$ 18,167	54.50%
Payroll - Tax Clerk	\$ 18,958	\$ 30,000	\$ 11,042	58.24%
Payroll - Tax Clerk	\$ 18,958	\$ 30,000	\$ 11,042	58.24%
Workforce Commission	\$ 434	\$ 400	\$ (34)	-7.83%
TOTAL PAYROLL	\$ 118,557	\$ 178,426	\$ 59,869	50.50%
Operations				
Auto Expense	\$ 1,600	\$ 2,400	\$ 800	50.00%
Bank Fees	\$ -	\$ 1,000	\$ 1,000	-
Computer - Software Maintenance	\$ 11,400	\$ 23,500	\$ 12,100	106.14%
Computer - Hardware Purchase	\$ 9,500	\$ -	\$ (9,500)	-100.00%
Computer - TA Onsite	\$ 7,500	\$ -	\$ (7,500)	-100.00%
Computer - Transition Tax to CAD	\$ 6,000	\$ 6,000	\$ -	0.00%
Computer - PACS Collection Training	\$ 2,000	\$ -	\$ (2,000)	-100.00%
Education Expense	\$ 5,979	\$ 6,000	\$ 21	0.35%
Equipment Lease	\$ 600	\$ 2,400	\$ 1,800	300.00%
Equipment Purchase	\$ 2,000	\$ 1,000	\$ (1,000)	-50.00%
Legal Expense	\$ 1,200	\$ 1,200	\$ -	0.00%
Liability & Board Insurance	\$ 1,000	\$ 1,100	\$ 100	10.00%
Miscellaneous and Software	\$ 500	\$ 500	\$ -	0.00%
Office - Maintenance	\$ 150	\$ 1,200	\$ 1,050	700.00%
Office - Mortgage	\$ 3,660	\$ 18,180	\$ 14,520	396.72%
Office - Utilities	\$ 750	\$ 3,000	\$ 2,250	300.00%
Office - Rent	\$ 2,598	\$ -	\$ (2,598)	-100.00%
Office - Ground Lease	\$ 1,980	\$ 3,600	\$ 1,620	100.00%
Office - Make Ready	\$ 7,500	\$ -	\$ (7,500)	-100.00%
Office Supplies	\$ 1,250	\$ 1,500	\$ 250	20.00%
Postage	\$ 16,500	\$ 21,000	\$ 4,500	27.27%
Printing and Publications	\$ 10,500	\$ 10,500	\$ -	0.00%
Professional Services	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Registration and Dues	\$ 600	\$ 600	\$ -	0.00%
Telephone	\$ 700	\$ 700	\$ -	0.00%
Collection Fund Beginning	\$ 10,000	\$ -	\$ (10,000)	-100.00%
TOTAL Operations	\$ 110,467	\$ 102,880	\$ (7,587)	-6.87%
Total Budget	\$ 229,024	\$ 283,806	\$ 54,782	23.92%

2016 GILLESPIE CENTRAL APPRAISAL DISTRICT
COLLECTION BUDGET ALLOCATION

2016 Collection Budget \$283,806

	2015 Levy	2016 Allocation (at 3%)
Gillespie WCID	\$7,024.66	\$210.74
Hill Country UWCD	\$273,961.84	\$8,218.86
Stonewall WCD	\$81,014.93	\$2,430.45
		\$10,860.04

Total allocation to non-water district entities: \$272,945.96

	Parcels Assessed and Collected	Percentage of Parcels	2016 Allocation
City of Fredericksburg	9,288	12.0581%	\$32,912.12
Doss CCSD	1,235	1.6033%	\$4,376.24
Fredericksburg ISD	27,529	35.7394%	\$97,549.29
Gillespie County	32,786	42.5643%	\$116,177.52
Harper ISD	6,189	8.0348%	\$21,930.78
	77,027	100.0000%	\$272,945.96



CITY COUNCIL MEMO

DATE: January 13, 2016
TO: Mayor and City Council
FROM: Kent Myers, City Manager
SUBJECT: Atmos Franchise

Summary:

Our current franchise agreement with Atmos has expired and a new agreement is necessary at this time.

Recommendation:

It is recommended that the attached franchise agreement with Atmos be approved.

Background / Analysis:

Over the past year, the City Attorney, Public Works Director and I have met to discuss changes to the Atmos franchise that expired last year. We held several meetings and conference calls with Atmos representatives in an effort to negotiate a long-term franchise that addressed our concerns and met community needs. The proposed franchise was revised several times before we reached agreement to the various terms and conditions.

Changes from the previous agreement include an increase in our franchise fee from 4% to 5%. In addition, we have added a "favored nations clause" whereby if any of their other customers receive an increase in franchise fees above 5%, we will be entitled to this same increase. Other changes to the franchise address concerns of the Public Works Department in terms of when they will have to move

(48)

The City of Fredericksburg

their facilities that are in the City's right-of-way. We have also updated language in the franchise regarding the ability of the City to access the records of Atmos in the future.

Representatives from Atmos will attend Monday's Council meeting to address any questions or concerns. The City Charter requires that utility franchises be read at two different meetings. So this franchise will also be on your February 1 agenda. If approved at this time, the franchise will be effective 30 days after adoption.

Attachments:

Atmos Franchise


Department Approval


City Manager Approval

ORDINANCE NO _____

ATMOS FRANCHISE ORDINANCE WITH THE CITY OF FREDERICKSBURG

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS CORPORATION, A FRANCHISE FOR THE PURPOSE OF CONSTRUCTING, MAINTAINING, AND USING A GAS UTILITY SYSTEM IN THE CITY OF FREDERICKSBURG, REGULATING THE CONSTRUCTION WORK DONE BY THE GRANTEE IN THE CITY, PRESCRIBING THE RELATIONSHIP AND RELATIVE RIGHTS BETWEEN GRANTEE AND OTHERS WITH RESPECT TO CONSTRUCTION IN THE CITY AND LOCATION OF FACILITIES, PRESCRIBING THE QUALITY OF SERVICE TO BE PROVIDED BY GRANTEE, PROVIDING FOR LIMITATION OF CERTAIN LIABILITIES, PRESCRIBING THE DUTIES, RESPONSIBILITIES, AND RULE MAKING AUTHORITY OF THE CITY MANAGER OR THE CITY MANAGER'S DESIGNEE AND THE CITY WITH RESPECT TO ADMINISTRATION OF THIS FRANCHISE, REQUIRING CERTAIN RECORDS AND REPORTS AND PROVIDING FOR INSPECTIONS AND TESTS; RESERVING TO THE CITY COUNCIL THE RIGHT TO SET CHARGES AND RATES OF GRANTEE, PROVIDING FOR CUSTOMER SECURITY DEPOSITS; PROVIDING FOR SUSPENSION OF SERVICE TO A CUSTOMER, PROVIDING FOR ENFORCEMENT OF THE FRANCHISE, PRESCRIBING THE COMPENSATION TO THE CITY FROM THE GRANTEE FOR THE FRANCHISE PRIVILEGE, PROVIDING INDEMNITY OF THE CITY AND ITS EMPLOYEES, PROVIDING FOR INSURANCE AND GOOD FAITH EFFORT PROVISIONS, SETTING FORTH THE TERM OF THE FRANCHISE AND ITS RENEWAL, PRESCRIBING MISCELLANEOUS REQUIREMENTS FOR ADMINISTRATION OF THE FRANCHISE, REPEALING PRIOR FRANCHISE AGREEMENT, PROVIDING FOR ACCEPTANCE BY GRANTEE, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Atmos Energy Corporation, is engaged in the business of supplying gas utilities services through its facilities within the City of Fredericksburg to customers throughout the City of Fredericksburg; and,

WHEREAS, Atmos Energy Corporation, and its predecessors have been supplying gas utilities services to customers throughout the City of Fredericksburg pursuant to prior franchise agreements, and the parties desire to continue the franchise relationship;

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

SECTION 1. GRANTING OF FRANCHISE.

There is hereby granted to Atmos Energy Corporation, Mid-Tex Division, hereinafter called Grantee, for the full term of 15 years from the effective date of this ordinance, the right privilege, and franchise to have, acquire, construct, reconstruct, maintain, use, and operate in the City of Fredericksburg, Texas, hereinafter called City, a gas utility system as defined in the Texas Utilities Code, which shall include, but not be limited to, a gas transmission and distribution system, and to have, acquire, construct, reconstruct, maintain, use, and operate 'in, over, under, along, and across the present and future streets, highways, alleys, bridges, public places and other public ways (collectively and individually referred to as "Public Rights-of-Way," or "Public Right-of-Way") of the City, or within the control of the City, all

necessary or desirable mains, lines, pipes, services, laterals, manholes, valves, gages, vent pipes, regulation stations and other structures and appurtenances in connection with such gas utility system. This Franchise does not authorize Grantee to use any property owned by the City that is not a public right-of-way.

SECTION 2. CONSTRUCTION WORK - REGULATION BY CITY.

(a) Work done in connection with the construction, reconstruction, modification, demolition, maintenance, or repair of the gas utility system shall be in compliance with all applicable laws, rules, and regulations of the City and the State of Texas.

(b) Grantee shall conduct its maintenance, construction, reconstruction, modification, demolition, maintenance, repair or placement of facilities, and excavations in the streets, alleys, and other public rights-of-way in such a way that they will interfere as little as practicable with the use by the general public of the streets, sidewalks, and alleys, and with the use of private property, in accordance with direction given by the authority of the City Council under the police and regulatory powers of the City.

(c) Grantee shall submit engineering plans of those projects involving construction other than a single tap construction in a public right-of-way to the City for review prior to construction and promptly after completion of any construction shall provide to the City accurate and complete "as-built" plans showing the nature and specific location of all work done. Additionally, The Company will provide City a point of contact which will be available 24 hours a day for emergencies.

(d) Except in an emergency Grantee shall comply with applicable City ordinances, and rules pertaining to notification when excavating pavement in an alley, street, or unpaved public right-of-way, and must obtain a permit before commencing any work in the Public Rights-of-Way. Grantee shall notify the City as soon as practical regarding work performed under emergency conditions and Grantee shall comply with the City's reasonable requirements for restoration of the excavated area. Grantee shall promptly restore to its approximate original condition and to the reasonable satisfaction of the City, a street, alley, or public right-of-way excavated by Grantee. .

(e) The City has authority to require Grantee to repair, remove, or abate any pipe or other structure or equipment that is unreasonably dangerous to life or property, and in case Grantee, after notice, fails or refuses to act within a reasonable time, the City has authority to remove or abate the same at the expense of the Grantee, without compensation or liability for damages to Grantee.

SECTION 3. MAINTENANCE OF PIPING.

Grantee shall own, operate and maintain all service lines, which are defined as the supply lines, and attached couplings, valves, risers, fittings and other hardware extending from the Grantee's main up to and including the customer's meter where gas is measured by Grantee. The customer shall own, operate and maintain all yard lines and house piping. Yard lines are defined as the underground supply lines extending from the point of connection with Grantee's customer's meter to the point of connection with such customer's house piping.

SECTION 4. CONFORMANCE WITH PUBLIC IMPROVEMENTS.

(a) Whenever by reason of street widening, straightening or changes in the grade or contours of a street, alley or other public way or in the location or manner of constructing a water pipe, gas pipe, sewer, or other City owned underground or aboveground structure, or for a governmental purpose, it is necessary to remove, alter, change, adapt, or conform the underground or aboveground facilities of Grantee, Grantee shall make the alterations or changes as soon as practicable within industry standards when ordered in writing by the City, without claim for reimbursement or damages against the City. Grantee shall not be required to remove, alter, change, adapt, or conform its facilities without claim for reimbursement if such facilities are not in conflict with construction performed for a governmental purpose as described above. Grantee's facilities are deemed to be in conflict to the extent that the proposed City facilities are determined by Grantee to be inconsistent with gas distribution industry standard safe operating practices for existing facilities. If these requirements impose a financial hardship upon the Grantee, the Grantee shall have the right to present alternative proposals for the City's consideration. City agrees to use its best effort to provide Grantee with its annual capital improvements plan as well as any material updates or changes within a reasonable time after they become available. The City shall not require Grantee to remove its facilities entirely from a street, alley, highway, or other public way unless suitable and safe alternatives are available for relocation at no additional cost to Grantee except if for a governmental purpose as described above. Grantee shall not be required to relocate facilities to a depth of greater than four (4) feet below the ground's surface, unless necessary to avoid conflict with existing facilities of other authorized users of the Right-of-Way or proposed placement of City's facilities in the Right-of-Way, or if prior agreement is obtained from Grantee.

(b) When Grantee is required to remove or relocate its mains, laterals or other facilities to accommodate construction by City without reimbursement from City or others, Grantee shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law to the extent that such costs are not being otherwise recovered. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of Grantee to seek or recover a surcharge from customers for the cost of relocation pursuant to applicable state and/or federal law. When Grantee is required to initiate a project to remove or relocate its mains, laterals or other facilities to accommodate construction by City without reimbursement from City pursuant to this Franchise, such fact shall be considered as evidence of the project's necessity and prudence for regulatory purposes.

SECTION 5. WORK BY OTHERS.

(a) The City reserves the right to lay, and permit to be laid, sewer, water, and other pipe lines, cables, and conduits, and to do and permit to be done by others any underground or aboveground work that may be necessary or proper in, across, along, over, or under a Public Right-of Way occupied by the Grantee. The City also reserves the right to change any curb, sidewalk, or grade of a street. In permitting this work to be done, the City shall not be liable to the Grantee for any resulting damage, but nothing herein shall relieve any other person or corporation from responsibility, for damages to the facilities of Grantee.

(b) If the City Council authorizes someone other than the Grantee to occupy space under the surface of a Public Right-of-Way covered by this agreement, the grant shall be subject to the rights of the Grantee. If the City Council closes or abandons a street, alley, highway, or public place which contains existing facilities of the Grantee, any conveyance of land within the closed or abandoned street, alley, highway, or public place shall be subject to the rights of the Grantee. Grantee, however, may be ordered to vacate any land so conveyed if an alternate route is practical and if the Grantee is reimbursed by the person to whom the property is conveyed for the reasonable costs of removal and relocation of facilities to the extent that such costs are not being otherwise recovered through Grantee's gas utility rates.

(c) If the City requires Grantee to adapt or conform its facilities, or to alter, relocate, or change its property to enable any other corporation or person, except the City, to use, or use with greater convenience, the street, alley, highway, or public place, Grantee shall not be bound to make any of the changes until the other corporation or person has undertaken, with good and sufficient bond, to reimburse the Grantee for any reasonable cost that will be caused by, or arise out of the change, alteration, or relocation of Grantee's property to the extent that such costs are not being otherwise recovered through Grantee's gas utility rates; provided, however, that the City shall not be liable for the reimbursement.

SECTION 6. AVAILABILITY, CHARACTER OF SERVICE, LIABILITY.

(a) Grantee shall at all times furnish service which is modern and sufficient to meet reasonable demands without undue interruption or fluctuations to any person, firm, or corporation that demands service within the City, upon the terms specified and required by ordinance or rules adopted by the City. Grantee shall make service connections on reasonable demand, without undue delay but before furnishing service may require execution of a service contract. Grantee covenants that it will furnish service, instrumentalities, and facilities that are safe, adequate, efficient, and reasonable and in conformance with then applicable industry standards.

(b) Grantee is not liable for interruptions or fluctuations in service caused by acts of God, war, riots, restraints of governmental authorities, or strikes or other unavoidable occurrences that could not have been foreseen and prevented by a public utility furnishing gas service within the City using commercially prudent management and reasonable care under the circumstances.

SECTION 7. ADMINISTRATION OF FRANCHISE.

(a) The City Manager or the City Manager's designee is the principal City officer responsible for the administration of this franchise and shall oversee and review the operations of Grantee under this franchise.

(b) The City may delegate to the City Manager or the City Manager's designee the exercise of any of the powers conferred upon the City by its charter or by law, relating to the regulation of Grantee in the exercise of the rights and privileges conferred, by this franchise, but the City Council reserves unto itself exclusively the power to fix and regulate the general charges and rates of Grantee, to the full extent that this authority is provided in the charter, this franchise, and State law.

(c) The City Manager or the City Manager's designee may approve or disapprove of miscellaneous fees and charges to the extent permitted by State law, in connection with the rendition of utility service. The City Manager or the City Manager's designee shall have the authority to make and publish, after notice to those affected and a hearing, rules and regulations that are consistent with State law and necessary to carry out the duties and powers conferred upon the City Manager. If Grantee objects to a decision of the City Manager with regard to fees or to a rule or regulation, Grantee may appeal the action of the City Manager to the City Council, and the action or decision appealed shall be suspended until final action by the City Council.

(d) It shall be the right and duty of the City Manager and the City Council at all times to keep fully informed as to all matters in connection with or affecting the construction, reconstruction, maintenance, operation, and repair of the properties of the Grantee, its accounting methods and procedures, the conduct of the Grantee's business in the City, and of service being rendered by Grantee.

(e) The City Manager, upon the filing of the acceptance described below, shall provide Grantee with written notice identifying at least by title one or more City Manager's designees, if any, for administering some or all of the City Manager's functions relating to this Franchise. If more than one designee is identified, the functions assigned to each designee will be stated in the notice with reasonable specificity. Thereafter, the designee or designees shall be changed only after Grantee has been given written notification by the City Manager.

SECTION 8. RECORDS, REPORTS, AND INSPECTIONS.

(a) Grantee shall use the system of accounts and the forms of books, accounts, records, and memoranda accepted by the Railroad Commission of Texas or its successor. Grantee shall provide the City with access at reasonable times and for reasonable purposes, to examine, audit, review, and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Grantee pertaining to this Franchise ordinance. Grantee shall fully cooperate in making available its records and otherwise assisting in these activities. Grantee shall maintain records, accounts, and financial and operating reports in a manner that will allow the City Manager or the City Manager's designee to determine investment, contributions in aid of construction (CIAC), cost of service, and operating expenses related to providing gas utility service to customers within the City. The City Council, the City Manager or the City Manager's designee may require the keeping of additional records or accounts reasonably necessary for administration of the franchise. If Grantee objects to a requirement of the City Manager or the City Manager's designee, Grantee may appeal the requirement to the City Council.

(b) Company will make available public reports it provides to the Railroad Commission of Texas (RRC), Federal Energy Regulatory Commission (FERC), or Securities and Exchange Commission (SEC) as City may reasonably require in the administration of this franchise and upon specific request by City.

(c) For the purpose of performing an audit of this Franchise, the City Manager, the City Manager's designee and the City Finance Officer's Office shall have the right, at reasonable times, to inspect the plant, equipment, and other property of the Grantee and its affiliates, and to examine, audit, and obtain copies of the papers, books, accounts, documents, and other business records of the Grantee consistent with State law. City agrees that customer specific information shall be provided only to City's Accounting Department, and the City's Finance Officer shall not provide such information to any other City department, employee or official without Grantee's prior consent.

(d) The City agrees, to the extent allowed by law, to maintain the confidentiality of any information obtained from Grantee that the Grantee, at the time the information is provided to City, has clearly designated as confidential or proprietary. City shall not be liable to Grantee for the release of any information the City is required by law to release. City shall provide notice to Company of any request for release of non-public information prior to releasing the information to the public so as to allow Company adequate time, but within the time limits prescribed by law, to pursue available remedies for protection. If the City receives a request under the Texas Public Information Act that includes Company's proprietary information, City will notify the Texas Attorney General of the proprietary nature of the document(s). The City also will provide Company with a copy of this notification, and thereafter Company is responsible for establishing that an exception under the Act allows the City to withhold the information.

(e) City shall not use Grantee's confidential or proprietary information for any unlawful purpose.

(f) The City retains all of the investigative powers and other rights provided to the City by the charter and State law.

(g) Grantee shall provide the City, upon request, with any relevant information needed to enforce the terms of this agreement. The City agrees that electronic transmission of records is acceptable.

SECTION 9. RULES AND REGULATIONS.

(a) In order to insure uniform and reasonable application of conditions for service and to insure availability of service to all without discrimination, the City Manager or the City Manager's designee shall review Grantee's rules and regulations concerning service furnished under this franchise or to Grantee's customers.

(b) The City Council, the City Manager or the City Manager's designee may establish, after reasonable notice and hearing, such rules and regulations as may be in the public interest regarding rates, rate-making procedures including the form and content of notices and applications, the furnishing of service, administration of customer accounts, and construction of Grantee facilities on City property, on, in, under and above Public Rights-of-Way. If Grantee objects to a rule or regulation established by the City Manager or City Manager's Designee, Grantee may appeal the rule or regulation to the City Council. Grantee agrees to reimburse the City's reasonable rate regulation expenses subject to Grantee being permitted to recover the same as currently permitted by State Law.

SECTION 10. SERVICE RATES.

(a) The City Council hereby expressly reserves the right, power, and authority to fully regulate and fix the rates and charges for the services of the Grantee to its customers as provided by State law and the City charter.

(b) Grantee may from time to time propose changes in its general rates by filing an application with the City secretary for consideration of the City Council. Within a reasonable time consistent with applicable law, the City Council shall afford Grantee a fair hearing with reference to the application and shall either approve or disapprove the proposed changes or make such order as may be reasonable.

(c) In order to ascertain any and all facts, the City Council shall have full power and authority to inspect, or cause to be inspected, the books of Grantee, and to inventory and appraise, or cause to be inventoried and appraised, the property of Grantee, and to compel the attendance of witnesses and the production of books and records.

(d) The City shall not allow as to rates or services an unreasonable preference or advantage to anyone within a service classification, nor allow Grantee to subject anyone within a service classification to any unreasonable prejudice or discrimination.

(e) The City Council has authority to require the Grantee to allocate costs of facilities, revenues, expenses, taxes, and reserves between the City and other municipalities or unincorporated areas, consistent with State law.

SECTION 11. DEPOSITS.

Grantee shall have the right, subject to City rules and regulations and consistent with applicable State and federal law, to require a reasonable security deposit for the payment of bills.

SECTION 12. SUSPENSION OF SERVICES.

Subject to State, federal and local laws, rules, and regulations, and if not inconsistent with other provisions of this Franchise, the Grantee may discontinue service to a customer who fails to pay a bill presented for service or make a reasonable deposit as may be required, if a deposit may be lawfully required, until the bill or deposit together with any expense for disconnecting and reconnecting the service is paid. In addition, the Grantee may discontinue service without notice, where a known dangerous condition exists, for as long as the condition exists, but if such condition is within Grantee's power to correct, Grantee shall use due diligence to correct such condition promptly and, if the customer does not otherwise request or the City does not otherwise direct, promptly upon elimination of the danger to restore service. The Grantee shall not be required to furnish service to any customer who is in default of payment or who fails to pay a reasonable deposit in accordance with duly promulgated rules and regulations, or who shall fail to comply with rules and regulations regarding proper use of facilities furnished by the Grantee. Provided, however, that nothing herein authorizes Grantee to discontinue, suspend, or refuse to furnish service if Grantee is otherwise legally prohibited from taking such action.

SECTION 13. FRANCHISE AND OTHER VIOLATIONS.

Upon evidence being received by the governing body of the City that a violation of this franchise, City charter provision, or ordinance lawfully regulating Grantee in the furnishing of service hereunder is occurring or has occurred, it shall at once cause an investigation to be made. If the governing body of this City finds that such a violation exists or has occurred, it shall take the appropriate steps to secure compliance. In addition, the City reserves the right to forfeit and terminate the franchise and all rights and privileges of the Grantee hereunder in the event of an attempt to evade any material provision of the franchise or to practice any fraud or deceit upon the City.

SECTION 14. COMPENSATION TO THE CITY.

(a) As compensation for the rights and privileges conferred by this franchise, Grantee shall pay to the City a sum of money equal to five percent (5%) of Gross Revenues, as defined below:

(1) all revenues received by Grantee, from the sale of gas to all classes of customers (excluding gas sold to another gas utility in the City for resale to its customers within City) within the City;

(2) all revenues received by Grantee from the transportation of gas through the system of Grantee within the City to customers located within the City (excluding any gas transported to another gas utility in City for resale to its customers within City);

(3) the value of gas transported by Grantee for transport customers through the system of Grantee within the City ("Third Party Sales")(excluding the value of any gas transported to another gas utility in City for resale to its customers within City), with the value of such gas to be established by utilizing Grantee's monthly Weighted Average Cost of Gas charged to industrial customers in the Mid-Tex division, as reasonably near the time as the transportation service is performed;

(4) revenues billed but not ultimately collected or received by Grantee ("uncollectibles"), subject to Section 14(d) below;

(5) Gross Revenues shall also include the following "miscellaneous charges": charges to connect, disconnect, or reconnect gas and charges to handle returned checks from consumers within the City; and

(6) Contributions In Aid of Construction ("CIAC").

(7) Gross Revenues shall not include:

(a) the revenue of any affiliate or subsidiary of Grantee;

(b) taxes and franchise fees paid to the City;

(c) interest or investment income earned by Grantee; and

(d) monies received from the lease or sale of real or personal property,

provided, however, that this exclusion does not apply to the lease of facilities within the City's right of way.

(b) Payment shall be due and payable for each calendar quarter on or before noon of the 15th day of the second month following the close of the calendar quarter and shall be made by wire transfer. Should any payment due date required by this ordinance fall on a weekend or a declared bank holiday, payment shall be wired to the City no later than noon of the working day prior to any specifically required due date contained within this ordinance. Payment shall be considered timely made if Grantee requests the wire transfer by 9:30 am on the day that payment is due. The payment shall be exclusive of, and in addition to, all special assessments and taxes of whatever nature, including ad valorem taxes upon property of Grantee. During the years for which payments of percentages of gross revenues are made to the City as compensation for this franchise to use public property of the City for the purpose of engaging in the business of providing gas utility service, the payments shall be (insofar as the City has legal power to so provide and agree) in lieu of and shall be accepted as payment of all of Grantee's obligations to pay municipal charges, fees, permit fees, rentals, inspection fees, easement taxes, franchise taxes, or other charges and taxes of every kind, except sales taxes, ad valorem taxes and special taxes and assessments for public improvements.

(c) Payment for franchise fees based on CIAC shall be calculated on an annual calendar year basis, i.e., from January 1 through December 31 of each calendar year. The franchise fee due the City based on CIAC shall be paid at least once annually on or before April 30 each year based on the total CIAC received during the preceding calendar year. The initial CIAC franchise fee amount will be paid on or before April 30, 2017 and will be based on the period beginning with the effective date of this Ordinance and ending on December 31, 2016. The final CIAC franchise fee amount will be paid on or before April 30, 2031 unless this agreement is renewed pursuant to Section 23, in which instance the final CIAC franchise fee amount will be paid on or before April 30, 2046.

(d) If a regulatory authority or court of competent jurisdiction determines that Grantee may not recover in Grantee's rates the compensation paid to City based on uncollectibles pursuant to Section 14(a)(4) above, then uncollectibles shall thereafter be excluded from the definition of Gross Revenues and Grantee will not seek to impose a refund or credit obligation for franchise fees already paid pursuant to Section 14(a)(4).

(e) Any transaction entered into by Grantee which has the effect of circumventing and/or evading payment of the fees required under Section 14 as of the effective date of this Franchise is prohibited.

SECTION 15. STATEMENT OF REVENUES:

Grantee shall provide to the City at or before the time the payment is due a report indicating the amount of the payment and the basis upon which the payment is calculated. The report shall be at the level of detail being provided to City at the time this franchise is accepted.

SECTION 16. PRESERVATION OF RECORDS:

(a) Grantee shall keep and maintain complete books, records, accounts, documents, and papers pertaining to Grantee's facilities within the City in accordance with Grantee's records retention policy for relevant records at the time this franchise is accepted. Maps, plats, records, inventories, and books of the Grantee pertaining to Grantee's facilities within the City, insofar as they show values of existing property, shall be preserved for use, if necessary, in connection with future valuation of the property of the Grantee.

(b) Grantee shall make available all of its books, records, accounts, documents and papers relevant to (1) Grantee's use of the Public Rights-of-Way in accordance with this Franchise, and (2) Grantee's provision of natural gas service within the City of Fredericksburg for purposes of any City audit of franchise fees paid pursuant to this franchise; upon reasonable notice by the City of not less than 20 days, or such longer time as agreed to by City and Grantee. Such production shall be provided electronically to City when practical. If such production is not provided electronically, it shall be made available at Grantee's principal office, at appropriate City facilities, or at another location provided by the Grantee and agreeable to the City.

SECTION 17. ASSIGNMENT OF FRANCHISE:

(a) The rights granted by this Franchise inure to the benefit of the Grantee. The Grantee may, without consent by City, transfer or assign the rights granted by this Franchise to a parent, subsidiary or affiliate, provided that such parent, subsidiary or affiliate assumes all obligations of Grantee hereunder and is bound to the same extent as Grantee hereunder, and has net capital and liquid assets reasonably equivalent to the Grantee's as of the month immediately preceding the transfer or provides other guarantees or assurances of the transferee's or assignee's financial ability to perform this Franchise reasonably acceptable to the City. Grantee shall give City written notice thirty (30) days prior to such assignment.

(b) City will have the right to approve the transfer or assignment of the franchise, except as provided in Section 17(a). City shall grant approval unless the Assignee is materially weaker than Grantee. For the purpose of this section, "materially weaker" means that the long term unsecured debt rating of the Assignee is less than investment grade as rated by both S&P and Moody's. If the Assignee is materially weaker, the City may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the Assignee. City agrees that said approval shall not be unreasonably withheld or delayed. Any such assignment or transfer shall require that said Assignee assume all obligations of Grantee be bound to the same extent as Grantee hereunder. If within the first 90 days after assignment to Assignee, City identifies a failure to comply with a material provision of this Franchise, City shall have the right, after notice and opportunity for hearing before Council, to terminate this Franchise.

SECTION 18. CONFORMITY TO CONSTITUTION, STATUTES, CHARTER, CITY CODE:

This ordinance is passed subject applicable provisions of the Constitution and Laws of the United States and the State of Texas, the Charter of the City of Fredericksburg, and the Code of Ordinances of the City of Fredericksburg. This franchise agreement shall in no way

affect or impair the rights, obligations, or remedies of the parties under the Public Gas Regulatory Act of Texas. Except as expressly provided herein Grantee shall not recover costs or expenses from the City for taking any actions mandated by this Franchise or by any order or request issued by authority of this Franchise.

SECTION 19. INDEMNITY:

Grantee shall defend, indemnify and save whole and harmless the City and all of its officers, agents, and employees against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought suffered by any person or persons that may be occasioned by, or arise out of Grantee's breach of any of the terms or provisions of this ordinance, or by any negligent or strictly liable act, or omission by Grantee, its officers, agents, employees, subcontractors, affiliates and subsidiaries, in the construction, maintenance, operation, or repair of the transmission or distribution system, or by the conduct of Grantee's business in the City pursuant to this ordinance; or by litigation expenses including discovery costs and expenses including attorneys' fees and expenses involving the Franchise or the Grantee regardless of the identity of parties except that the indemnity provided for in this section shall not apply to any liability resulting from the sole negligence or fault of the City, its officers, agents, employees or separate contractors, and in the event of joint and concurrent negligence or fault of both the Grantee and the City, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas without, however, waiving any governmental immunity available to the City under Texas law and without waiving any of the defenses of the parties under Texas law. It is understood that it is not the intention of the parties hereto to create liability for the benefit of third parties, but that this section shall be solely for the benefit of the parties hereto and shall not create or grant any rights, contractual or otherwise, to any person or entity.

SECTION 20. GOOD FAITH EFFORT:

Grantee agrees to faithfully adhere to all applicable federal, state and City rules and regulations pertaining to non-discrimination, equal employment and affirmative action. Grantee also agrees to continue in its commitment to maintain fairness and equality in the workplace and in its purchases of goods, equipment, and other services.

SECTION 21. OTHER MUNICIPAL FRANCHISE ORDINANCE FEES ACCEPTED AND PAID BY GRANTEE:

If Grantee should at any time after the effective date of this Ordinance agree to a new municipal franchise ordinance, or renew an existing municipal franchise ordinance, with another municipality in Grantee's Mid-Tex Division, which determines the franchise fee owed to that municipality for the use of its public rights-of-way in a manner that, if applied to the City, would result in a franchise fee greater than the amount otherwise due City under this Ordinance, then the franchise fee to be paid by Grantee to the City pursuant to this Ordinance may, at the election of the City, be increased so that the amount due and to be paid is equal to the amount that would be due and payable to City were the franchise fee provisions of that other franchise ordinance applied to the City. City acknowledges that the exercise of this right is conditioned upon the City's acceptance of all terms and conditions of the other municipal franchise in toto. The City may request waiver of certain terms and Grantee may grant, in its sole discretion, such waiver.

SECTION 22. INSURANCE:

Grantee will insure against the risks undertaken pursuant to this franchise, including indemnification under Section 19 hereof. Such insurance may be in the form of self-insurance to the extent permitted by applicable law under a Grantee approved formal plan of self-insurance maintained in accordance with sound accounting practices. Otherwise, Grantee shall maintain reasonably adequate insurance covering its obligations of indemnity under Section 19 hereof. A certificate of insurance shall be provided to the City within 60 days of passage of the franchise and upon any substantial reduction in the nature of its coverage under this section. Should Grantee elect to self-insure, its notice to the City shall contain information describing with reasonable particularity all procedures for filing a claim.

SECTION 23. TERM; RENEWAL:

This franchise shall expire on December 31, 2030; provided, that at the end of the expiration of the initial period, the term shall be automatically renewed for one additional 15 year period to expire on December 31, 2045, unless written notice is given to the Grantee by the City or to the City by the Grantee at least 120 days before the expiration date, setting forth the desire of the giver of the notice to terminate this franchise, in which event this franchise shall terminate at the expiration of the initial 15 year period. Grantee shall give 12 months written notice to the City of the expiration of the initial period. If Grantee fails to give 12 months written notice to the City, and City does not give written notice to the Grantee 120 days before the expiration date, setting forth the desire of the City to terminate this franchise, then the franchise shall be automatically renewed for a term of one year and shall continue to be renewed annually for one year terms until such notices are received. In no event shall the franchise be automatically renewed to expire after December 31, 2045.

SECTION 24. RIGHT OF APPEAL:

Nothing herein shall be deemed a waiver, release or relinquishment of either party's right to contest or appeal any action or decision of the other party made contrary to any federal, state or local law or regulation.

SECTION 25. REPEAL:

All prior franchise ordinances with Grantee are hereby repealed. All other ordinances, rules, regulations, and agreements which in any manner relate to the regulation of or provision for gas utility services by Grantee shall remain in full force and effect, to the extent that they are consistent with this franchise.

SECTION 26. SEVERABILITY:

Should any material word, clause, phrase, sentence, paragraph or section of this franchise be held invalid by any court of competent jurisdiction, such ruling or judgment shall not affect the validity of any other part, but the same shall remain in full force and effect, the provisions hereof being severable, except that either party can within 90 days after such ruling or judgment become final serve written notice of intent to terminate this Franchise by reason of such judgment or ruling unless the parties agree on an amendment acceptable to

both parties that addresses the change caused by such judgment or order. If the parties do not amend this Franchise within 90 days after receipt of such notice, this Franchise terminates 120 days after receipt of such notice.

SECTION 27. EFFECTIVE DATE: AUTHENTICATION:

This ordinance shall take effect immediately from and after its passage, and publication in accordance with the provisions of the Charter of the City of Fredericksburg and subject to its acceptance as provided below, and it is accordingly so ordained.

SECTION 28. ACCEPTANCE OF FRANCHISE:

(a) In order to accept this franchise, Grantee must file with the City Secretary its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by City. If such written acceptance of this franchise ordinance is not filed by Grantee, the franchise ordinance shall be rendered null and void.

PASSED AND APPROVED ON FIRST READING on this the _____ day of _____, 2016.

PASSED AND FINALLY APPROVED ON SECOND READING on this the _____ day of _____, 2016.

APPROVED AS TO FORM:

Pat McGowan
City Attorney, City of Fredericksburg

ATTEST:

Shelley Britton, City Secretary

Linda Langerhans, Mayor
City of Fredericksburg, Texas

STATE OF TEXAS §
COUNTY OF GILLESPIE §
CITY OF FREDERICKSBURG §

I, Shelley Britton, City Secretary of the City of Fredericksburg, Gillespie County, Texas, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the City Council of the City of Fredericksburg, Texas, at a _____ session, held on the _____ day of _____, 2016, as it appears of record in the Minutes in Book _____, page _____.

WITNESS MY HAND AND SEAL OF SAID CITY, this the ____ day of _____, 2016.

Shelley Britton, City Secretary
City of Fredericksburg, Texas