



CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL REGULAR MEETING JANUARY 21, 2020

Members Present:

Mayor Linda Langerhans
Mayor Pro Tem Gary Neffendorf
Councilmember Charlie Kiehne
Councilmember Tom Musselman
Councilmember Bobby Watson

Members Absent:

None

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities
Daniel Jones, City Attorney
Brian Jordan, Development Services Director
Steve Wetz, Police Chief
Russell Immel, Information Technology Director
Laura Hollenbeak, Director of Finance
Andrea Schmidt, Parks Department Director
Kris Kneese, Assistant Director of Public Works and Utilities
Garrett Bonn, Assistant Engineer
Lee Stubblefield, Electric Superintendent
Shelley Goodwin, City Secretary

1. PLEDGE OF ALLEGIANCE

Mayor Langerhans led the Pledge.

2. CALL TO ORDER

With a quorum of the City Council present, Mayor Langerhans called the regular meeting of the Fredericksburg City Council to order at 6:00 p.m. on Tuesday, January 21, 2020, in the Law Enforcement Center, 1601 East Main Street, Fredericksburg, Texas 78624.

3. EMPLOYEE RECOGNITIONS

Kent Myers, City Manager, stated he did not have any employee recognitions.

4. PUBLIC COMMENTS

No one wished to speak during this Agenda Item.

5. CONSENT

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

- A. Consider approval of the January 6, 2020, City Council Regular Meeting Minutes.**
- B. Consider approval of Resolution 2020-03R authorizing lease obligations in any amount not to exceed \$811,900.31 with respect to the acquisition, purchase, financing, and leasing of certain equipment for the public benefit, specifically a Pierce Impel PUC Pumper Fire Truck; authorizing the execution and delivery of documents required in connection therewith; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution.**

Motion: A motion was made by Councilmember Kiehne seconded by Councilmember Watson, to approve the Consent Agenda Items 5.A.-B., with amendments to 6. A. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

6. PUBLIC HEARING

- A. Hold a public hearing to receive comments for or against the voluntary annexation of 13.395 acres proposed as Stone Ridge Unit 10 located near the intersection of Lower Crabapple Road and Ellebracht Drive (second and final public hearing).**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to go into the Public Hearing at 6:30 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

Mayor Langerhans asked if anyone wished to speak. No one offered comments.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to go out of the Public Hearing and back into the regular session at 6:32 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

Brian Jordan, Development Services Director, stated this public hearing is the second of two legally required public hearings. He reviewed the history of the voluntary annexation and the annexation schedule.

- B. Hold a public hearing to receive comments for or against and consider approval establishing R-1 Single Family Residential Zoning on 13.395 acres proposed as Stone Ridge Unit 10 located near the intersection of Lower Crabapple Road and Ellebracht Drive.**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to go into the Public Hearing at 6:34 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

Mayor Langerhans asked if anyone wished to speak. No one provided comments.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to go out of the Public Hearing and back into the regular session at 6:34 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

Brian Jordan, Development Services Director, stated the Planning and Zoning Commission recommended the approval of establishing R-1 Single Family Residential of Stone Ridge Unity 10.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Kiehne, to approve the establishment of R-1 Single Family Residential Zoning on 13.395 acres proposed as Stone Ridge Unit 10 located near the intersection of Lower Crabapple Road and Ellebracht Drive. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

7. ORDINANCES AND RESOLUTIONS

- A. Consider, discuss, and take appropriate action regarding the Annexation of approximately 91.24 acres of land situated in Gillespie County, Texas along the south side of W. Live Oak, west of Post Oak road and the current City limits (January 7, 2020 City Council postponed and took no action on Ordinances 2020-01, 2020-02, and 2020-03).**

Brian Jordan, Development Services Director, stated the W. Live Oak annexation was on previous agendas and before the second and final hearing a resident pointed out the hearing notices were not on the City website. He stated this is a legal requirement, therefore he recommended starting the annexation process over. He reviewed the new annexation schedule.

- B. Consider the approval of Ordinance 2020-04 authorizing the issuance of a “City of Fredericksburg, Texas Utility System Revenue Notes, Series 2020”; providing for the payment of the principal of and interest on the Notes by a first and prior lien on and pledge of the pledged revenues of the City's Electric Utility System; providing the terms and conditions of such Notes; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of such notes; authorizing the execution of a Paying Agent/Registrar Agreement and a Purchase and Investment Letter; and providing for an effective date (1st of two readings; City Council may waive second reading).**

Clay Binford, City of Bond Counsel with Norton Rose Fulbright, stated Dan Wegmiller went out for bids which were finalized earlier today. He reviewed the 2 different options of either call note or fixed rate note. He reviewed the advantages for both types of notes.

The City Council discussed the two different options of types of financing.

Motion: A motion was made by Councilmember Neffendorf, seconded by Councilmember Musselman, of Ordinance 2020-04 authorizing the issuance of a “City of Fredericksburg, Texas Utility System Revenue Notes, Series 2020”; providing for the payment of the principal of and interest on the Notes by a first and prior lien on and pledge of the pledged revenues of the City's Electric Utility System; providing the terms and conditions of such Notes; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of such notes; authorizing the execution of a Paying Agent/Registrar Agreement and a Purchase and Investment Letter; for a fixed called rate of 1.865%, and wave the second reading. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

- C. Consider the approval of Resolution 2020-01R establishing the City of Fredericksburg's participation in the Property Assessed Clean Energy (“PACE Program”).**

John Clamp, AACOG, stated he is present to answer any questions the City Council may have.

Kent Myers, City Manager, stated the City Council received a presentation in November, voted to participate in the program and then held a public hearing. He stated this is the process to start the PACE Program.

Motion: A motion was made by Councilmember Kiehne, seconded by Councilmember Neffendorf, to approve Resolution 2020-01R establishing the City of Fredericksburg's participation in the Property Assessed Clean Energy ("PACE Program"). The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

D. Consider the approval of Resolution 2020-02R lease with TCF National Bank for golf course equipment at the LBJ Golf Course.

Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities, stated the Golf Course Maintenance Department currently utilizes three small golf course maintenance vehicles that have reached the end of their useful life and are proposing to lease new gasoline powered golf cart maintenance vehicles. He also stated the proposed lease terms are for 48 months with a monthly lease payment of \$504.09.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Kiehne, to approve Resolution 2020-02R lease with TCF National Bank for golf course equipment at the LBJ Golf Course. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

8. OTHER ACTION ITEMS AND UPDATES

A. Consider the approval of the Professional Services Agreements with Avenu Insights & Analytics, LLC to perform professional services for Local Hotel Occupancy Tax , Sales and Use Tax Discovery and Recovery, and Short-term Rental Permitting.

Laura Hollenbeak, Director of Finance, stated as part of the 2020 budget discussion the City Council approved recommendations to outsource the Local Hotel Occupancy Tax Program of Discovery/Recovery, Audit and Administration Services, Sales and Use Tax Discovery and Recovery Services, and Short-term Rental Permitting Services. She stated staff recommends the approval of the Professional Services Agreement with Avenue Insights & Analytics, LLC.

The City Council discussed the benefits of the professional services.

Daniel Jones, City Attorney, reviewed the changes that were made to the Short-term Rentals agreement.

The City Council discussed the effects the new law regarding Short-term Rentals can have on the agreement.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Neffendorf, for approval of Professional Services Agreements with Avenu Insights & Analytics, LLC to perform professional services for Local Hotel Occupancy Tax , Sales and Use Tax Discovery and Recovery, and Short-term Rental Permitting . The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

B. Consider the appointments of members of the Market Square Redevelopment Commission.

Shelley Goodwin, City Secretary, stated she has been unable to find documentation of appointment of members to the Market Square Redevelopment Commission. She stated the Commission is asking that the membership be 15 members with 2 ex-officio members.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to appoint Tim Crenwelge, Linda Langerhans, Peggy Benson, Debbie Farquhar-Reeh, Marty Kaderli, Karen Oestreich, Tony Klein, Joe Kammlah, Robert Spies, Timothy Kooch, Jimmy Alexander, Jerry Luckenbach, Jennifer Segner, Jessie Barter, Amy Cop, Ex Officio Member John Klein, and Ex Officio Member Stan Klein as members of the Market Square Redevelopment Commission. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

C. Consider the approval of a Property Assessed Clean Energy ("PACE Program") Interlocal Agreement with Alamo Area Council of Governments and the City of Fredericksburg.

Kent Myers, City Manager, stated he recommends Alamo Area Council of Governments administer the PACE Program. He also stated the Interlocal Agreement is for the approval of AACOG as the Program administrator.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, for approval of a Property Assessed Clean Energy ("PACE Program") Interlocal Agreement with Alamo Area Council of Governments and the City of Fredericksburg. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

D. Boot Ranch

i. Consider the approval of the 2nd Amendment to the Reclaim Water Service Utility Agreement with Boot Ranch to allow for the use of the City's groundwater for golf course irrigation.

Kris Kneese, Assistant Director of Public Works and Utilities, reviewed the three Boot Ranch Agenda Items and the history. He also stated Boot Ranch is not requesting any LUEs.

Larry Shaw spoke in opposition to the agreements and the lift station at Boot Ranch.

Allen Brecher spoke in opposition to the agreements and the lift station at Boot Ranch.

Angela Smith 483 Ranch Road 1436, spoke in opposition of Boot Ranch agreements and referenced concerns from the January 6, 2020 City Council Regular Meeting and the Fredericksburg Standard.

Mark Enderle, Boot Ranch, reviewed a PowerPoint objective and moving forward. He reviewed the issues they are trying to address and the economics of the relationship with the City.

Emil Hale, Boot Ranch, provided the history of Boot Ranch and the relationship with the City. He also reviewed the original commitments made to the community and how they have grown to be a good neighbor.

The City Council discussed the affluent water and how they plan to blend water used for watering. They also discussed the growth of the City and the effects it will have on the City water system.

Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities, reviewed the data from the Texas Development Water Board and that the City of Fredericksburg should not have to pursue additional water for 30 years.

Alan Brecher, spoke regarding the City adding new water lines.

Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities, stated the new water line is to replace old waterlines and to increase integrity of the water system in certain areas of the City.

Councilmember Watson stated he is a property owner in Boot Ranch and owns property in the City of Fredericksburg, so he will be voting on these items.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Neffendorf, for approval of the 2nd Amendment to the Reclaim Water Service Utility Agreement with Boot Ranch to allow for the use of the City's groundwater for golf course irrigation. The City Council voted three (3) for and two (2) opposed (Councilmembers Musselman and Kiehne). The motion passed.

ii. Consider the approval of the Lift Station Easement granted from Boot Ranch as part of the Boot Ranch Lift Station Project.

Kris Kneese, Assistant Public Works Director, stated HDR Engineering designed the Lift Station to resolve the current operational problems with Boot Ranch Lift Station C.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, for approval of the Lift Station Easement granted from Boot Ranch as part of the Boot Ranch Lift Station Project. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

iii. Consider the approval of Amendments No. 2 to Boot Ranch Water and Sewer Service Agreement to include 37.217 acres, known as the Muncy Tract, to the original Water and Sewer Service Agreement.

The City Council discussed the City policy of extending serves outside the City limits. They also discussed the Boot Ranch's proposal to trade 37 acres of Muncy Tract with 37 acres of existing service area.

Motion: A motion was made by Councilmember Watson, to approve staff to work out the details on the exchange of 37 acres. He withdrew his motion.

Kent Myers, City Manager, stated he feels staff should do an analysis of cost or savings of the 37 acre trade. He also recommended staff meet with Boot Ranch and after the details and legal issues are worked out then bring back to City Council for consideration. The City Council did not take action on this Agenda Item.

E. Consider the award of bid for Marktplatz Pavilion and Arbor project to Hill Country Home and Ranch in the amount of \$161,682.00.

Andrea Schmidt, Parks & Recreation Director, reviewed the history of the repairs of Oktoberfest Halle, Kinder Halle, and the Arbors. She stated the roof will need to be removed to replace the rotten wood, but the new roof was not part of the original bid. She recommended reallocating \$63,682 out of the Oak Crest improvements fund to use for the new roof and to award the contract to Hill Country Home and Ranch.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Kiehne, for awarding the bid for Marktplatz Pavilion and Arbor project to Hill Country Home and Ranch in the amount of \$161,682.00. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

F. Receive and discuss the Hotel Occupancy Tax Fund Applications for 2020.

Kent Myers, City Manager, stated the City received 40 applications which total \$610,134. He also stated \$480,000 is remaining to be allocated this year. He stated the City Council will hold a Workshop on January 29, 2020 to discuss the applications and then hold a Special Meeting in February to discuss the applications with the applicants.

A representative from each organization introduced themselves.

9. CITY MANAGER'S REPORT

A. Traffic Impact Study Open House-January 28

Kent Myers, City Manager, stated the Traffic Impact Study Open House will be held on January 28th at Law Enforcement Center from 5p.m.-8p.m.

B. Historic District Design Guidelines Open House-January 28

Kent Myers, City Manager, stated the Historic District Design Guidelines meeting will be from 6 p.m.-8 p.m. at the Pioneer Museum.

C. Meeting with Planning and Zoning Commission and Historic Review Board-February 11

Kent Myers, City Manager, stated the City Council will hold a Joint Meeting with Planning and Zoning Commission and Historic Review Board on February 11th at the Law Enforcement Center at 2 p.m.

10. ITEMS FOR FUTURE AGENDA

Kent Myers, City Manager, reviewed the upcoming agenda items.

11. COUNCIL COMMENTS

Councilmember Watson stated at the Airport Advisory Board the report on gas sales are up over last year's sales.

Councilmember Neffendorf stated he attended the Economic Development Commission planning meeting last week.

12. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.071 and 551.087

- A. Consider and discuss E. 290 Owners Coalition vs. City of Fredericksburg, Texas, pending in the 216th District Court (Section 551.071); and**

B. Consider and discuss Penick R&C, LP vs. City of Fredericksburg, Texas, pending in the United States District Court for the Western District of Texas (Sec. 551.071); and

C. Consider and discuss economic development agreement related to the construction and operation of a Hotel and Conference Center in the City; and to receive legal advice concerning said economic development agreement (Section 551.087 and Section 551.071), and

D. Consider and discuss Hormuth and Farley v. Linda Langerhans, Mayor, pending in the 216th District Court (Section 551.071)

Motion: A motion was made by Councilmember Neffendorf, seconded by Councilmember Watson, to go out of Regular Session into Executive Session at 8:53 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Kiehne, seconded by Councilmember Watson, to go out of Executive Session into Regular Session at 10:19 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

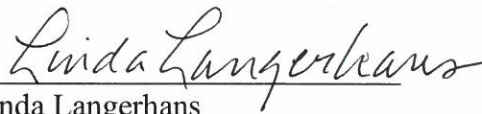
13. BUSINESS ITEM

Motion: A motion was made by Councilmember Neffendorf, seconded by Councilmember Watson, to appoint Councilmembers Musselman and Kiehne to serve as mediators for the Penick R&C vs. City of Fredericksburg. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

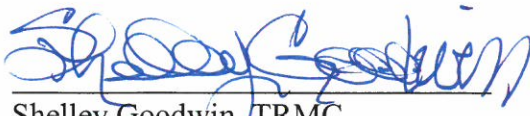
Motion: A motion was made by Councilmember Watson, seconded by Councilmember Neffendorf, to amend the Economic Development Agreement for the Hotel/Conference Center to require that all financing be completed by May 31, 2020 and that construction be started by January 1, 2021 and that construction be completed by December 31, 2022. The City Council voted four (4) for and one (1) opposed (Councilmember Neffendorf). The motion carried.

14. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Kiehne, to adjourn the Tuesday, January 21, 2020, City Council Regular Meeting at 10:23 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.


Linda Langerhans
Mayor

ATTEST


Shelley Goodwin, TRMC
City Secretary