

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING

September 16, 2008

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, September 16, 2008, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Claudia Haydon, Alderwoman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered, with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present. Johnny White, pastor of the Church at Horseshoe Bay led the invocation. Mayor Lambert then led the pledge of allegiance to the United States flag and the Texas flag. He welcomed everyone to the meeting and asked that anyone who wanted to make comments please sign the sheet on the podium.
2. Comments from Mayor: Mayor Lambert said the Council held a workshop on the streets this morning and at the end concluded that the priority was having complete agreements with the Horseshoe Bay Property Owners' Association, the Amenities owner and the Declarant as well as study some matters related to streets safety by December. There will be another workshop at 9:00 a.m. on October 21, 2008. Mayor Lambert announced that City Attorney Monte Akers was absent from this meeting and introduced his partner, Barbara Boulware-Wells who was attending in his place.
3. Comments from Aldermen: There were no comments from the Aldermen.
4. Public Comments: There were no public comments
5. Update from Ryder Warren, Marble Falls ISD Superintendent: Ryder Warren gave the Council an update on the MFISD. This year they are focusing on exemplary student performance and programs. He said from the HSB area there are approximately 200 students that attend MFISD. Total transfers from Llano are about 65 students and from the transfers about 30 of those are from the HSB area. Dr. Warren also gave updates on the current construction projects.

6. Staff Service Awards:

- a. Chris Carter – 15 years
- b. Royce Graeter – 5 years

Mayor Lambert thanked Chris Carter for 15 years service and presented him with a plaque. Royce Graeter was unable to attend today's meeting and will be presented his award at the next Council meeting. Police Chief, Bill Lane, introduced new police officer, Tom Kingery, who came to Horseshoe Bay from the Llano Police Department. Chief Lane then presented retiring police officer, Calvin Tidwell, with a framed collection of mementos from throughout his career, built by HSB Investigator Jay Bauman.

7. Items to be Removed from Consent Agenda: Mayor Lambert asked if there were any items the Council wanted to remove from the Consent Agenda. There were none.

8. Consent Agenda Items:

- a. Minutes of the August 19, 2008 Public Workshop, the August 19, 2008 Public Meeting, the September 4, 2008 Public Workshop, and the September 4, 2008 Special Public Workshop
- b. Final Plats:
 - i. Replat of Lot No. K7166, Horseshoe Bay South, Plat No. K7.1 and Lot No. K7164-A, Horseshoe Bay South, Plat No. K7.3 to be known as Horseshoe Bay South Plat No. K7.164, Burnet County, Texas (3205 Stag)
 - ii. Replat of Lot No. 8020, Horseshoe Bay, Plat No. 8.1, to be known as Horseshoe Bay Plat No. 8.8, Llano County, Texas (1002 A & B Hi Circle West)
 - iii. Replat of Lot Nos. 2019 and 2020, Applehead Plat No. 2.1, to be known as Applehead Plat No. 2.3, Horseshoe Bay, Llano County, Texas (412 Florentine)
- c. Interlocal Agreement for Dispatch Services with Llano County
- d. Interlocal Agreement for Jail Services with Llano County
- e. Contract for the Administration of Emergency Medical Services
- f. Request for Approval of Construction of a Residence that Exceeds 10,000 Square Feet of Covered Area at 213 Tarbet Trail – Lot BC0001 Bay Country
- g. Ordinance Amending Ordinance No. 06-08-22A Comprehensive Fee Schedule – Building Permit Fees
- h. Amendment to Ordinance No. 06-04-18D Building Permit Ordinance to Increase the Deduction from the Deposit for Violations of Early Construction Start Time
- i. Revisions to Exhibit A and B of the Compensation Policy for Salary Range Assignments, Job Titles, and Merit Increases

Alderman Bird made the motion to approve the Consent Agenda as presented. The motion was seconded by Alderman Babcock. The motion passed unanimously (5-0).

9. Agreement for Escondido PID Administrative Services between MuniCap, Inc. and City of Horseshoe Bay: Mayor Lambert said the next three items relate to what was a Lake LBJ MUD obligation to sell bonds in order to recover certain infrastructures costs from the Escondido property owners. The bonds being considered would be an obligation of a Public

Improvement District and not the City. Alderman Rantzow made the motion to approve the agreement. The motion was seconded by Alderman Robinson. Alderman Babcock stated that three of the Council members are property owners in Escondido, and they will be subject to assessments as provided in these documents. He said he has read the documents and so has City Attorney, Monte Akers. He is personally comfortable that the documents present the procedure that was fully disclosed to all of the lot owners, including themselves, at the time they purchased their lots and the agreements are consistent with what they expected. Alderman Babcock said since they are among the owners being assessed he felt there is no conflict; however this needed to be disclosed. Mayor Lambert added the documents have mostly been drafted by attorneys with Vinson and Elkins (City Bond Counsel) and reviewed by the Attorney General's office as well as City Attorney, Monte Akers and Barbara Boulware-Wells. First Southwest has been involved as the investment adviser for the City and Bank of America is underwriter. All of these parties have reviewed these documents and the City has been advised by Julie Partain of Vinson and Elkins that in her opinion they are ready for execution. The motion passed unanimously (5-0).

10. Ordinance Approving and Authorizing the Issuance and Sale of the Escondido Public Improvement District No. 1 City of Horseshoe Bay, Texas Special Assessment Revenue Bonds, Series 2008, Approving and Authorizing an Indenture of Trust, a Bond Purchase Contract, a Limited Offering Memorandum, a Continuing Disclosure Agreement and Other Agreements and Documents in Connection Therewith; Making Findings with Respect to the Issuance of Such Bonds; and Providing an Effective Date: Alderwoman Haydon made the motion to approve the ordinance. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).
11. A Supplemental Ordinance of the City Council of the City of Horseshoe Bay Updating the Escondido Public Improvement District of the City of Horseshoe Bay Service and Assessment Plan and Assessment Roll: Mayor Lambert stated that Council has the final version of this document in their packet. There is another document containing approximately 300 pages with each lot and the assessment listed separately if anyone would like to see it. Alderman Rantzow made the motion to approve the ordinance. The motion was seconded by Alderman Bird. The motion passed unanimously (5-0).
12. Staff Reports: City Manager, Stan Farmer, stated the Development Services report was updated somewhat this month in order to make it easier to read. He said he would like to update the Council on the Brush Disposal Ordinance and Brush Burning Policy passed in May and June respectively. Mr. Farmer said when the ordinance was passed the City felt there was a great deal of brush coming to the City's disposal site that did not originate in the City, since this ordinance has been in place and over the last several months the amount of brush brought to the site has been down 50%. The last TCEQ concern was the Resort's brush coming into the facility. The Resort has signed an agreement with Allied Waste for containers, which the City will allow to be placed at their site, but will prevent their brush from being a part of the City's brush pile. Mr. Farmer then told the Council it was a pleasure working with the City staff, Mayor and Council on the budget over the last several months and he feels the result is a very workable budget.

13. Public Hearing Regarding Proposed Budget: Mayor Lambert convened a public hearing at 3:26 p.m. He asked if there were any comments, there were none and he adjourned the public hearing.
14. Ordinance to Adopt Budget for Fiscal Year 10-01-08 through 09-30-09: Mayor Lambert said the Council held three budget workshops. The Proposed Budget has been posted on the City's website, and there have been no significant changes. Alderwoman Haydon made the motion to approve the budget. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).
15. Ordinance to Adopt Tax Rate for 2008: Mayor Lambert said the Council plans on lowering the tax rate from \$0.40/\$100 to \$0.35/\$100. Alderman Bird made the motion to approve the ordinance. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).
16. Ordinance to Adopt Revised Schedule for Services and Rates to be Effective October 1, 2008: Mayor Lambert said this item also ties into the budget. Alderman Rantzow made the motion to approve the ordinance. The motion was seconded by Alderman Bird. The motion passed unanimously (5-0). Mayor Lambert added that one of the objectives of the Council when HSB became a city was to get the utility fund self-sufficient. A rate consultant has completed a rate study which the Council reviewed at the last budget workshop. This budget reflects the utility fund being self-sufficient and does not require the use of any ad valorem funds and the Council does not believe that any subsidy is necessary in foreseeable future. Future rate increases will only be cost-of-living increases.
17. Continuation of Action to Adopt Ordinance Annexing the 5.44 acre Horseshoe Bay Center Tract (Space Center Property on Hwy. 2147): Mayor Lambert said this is a continuation of an action that has been open for the last several months. The developer is still having problems with TxDOT getting some curb cuts approved, and this item needs to be continued until the October 21, 2008 meeting. Alderman Robinson made the motion to continue this item. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).
18. The City Council, meeting as the Board of Adjustment, will Conduct a Public Hearing and Possible Action Regarding:
 - c. Request for Variance from Section 3.2.1 (e) of the Zoning Ordinance to Allow an 18 Inch High Retaining Wall in the 25 Foot Front Yard Setback on Lot No. W29048-B, Horseshoe Bay Plat No. W29.11 (108 Wennmohs Place)

Mayor Lambert convened a public hearing at 3:41 p.m. He asked if there were any comments, there were none, and he adjourned the public hearing. Development Services Manager, Eric Winter, stated this was on the agenda last month for a variance of a 6 foot wall which was denied, this is a request for a variance for a 16 inch wall. He said the applicant has brought letters from three neighbors, two of whom protested the variance request last month, but do not protest this variance for the 16 inch wall. The Architectural Committee has also approved the variance contingent on the Council's approval. Alderman Babcock

made the motion to approve the variance for the 16 inch wall. The motion was seconded by Alderwoman Haydon. The motion was passed unanimously (5-0).

19. Conduct a Public Hearing and Consideration of Preliminary Plats:

- a. Replat Lot Nos. K2036 and K2037, Horseshoe Bay South, Plat No. K2.1 to be known as Horseshoe Bay South Plat No. K2.36, Horseshoe Bay, Burnet County, Texas (2202 3rd Street)
- b. Replat Lot No. 121, The Trails of Lake LBJ, Phase 3, Horseshoe Bay, Llano County, Texas (Overlook Parkway)
- c. Replat Lot Nos. K11008 and K11009, Horseshoe Bay South, Plat No. K11.1 to be known as Horseshoe Bay South Plat No. K11.20, Horseshoe Bay, Burnet County, Texas (Mountain Dew and Chisom Trail)
- d. Replat of Lot Nos. 47-A Thru 56-A of Escondido Plat No. 1.2, to be Known as Escondido Plat No. 1.16, Including Zero Foot Side Yard Setbacks Between Each Set of Two Lots, Horseshoe Bay, Llano County, Texas (Encantada)

Mayor Lambert convened the public hearing at 3:50. He asked if there were any comments, there were none, and he adjourned the public hearing. Alderman Babcock made the motion to approve the replats with the changes recommended by Development Services Manager Eric Winter as noted for the various plats. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).

20. Ordinance on Outdoor Use of Open Flame Equipment (Welders): Mayor Lambert stated this is needed to get some formal regulations on welding. There was a draft discussed at the last meeting, and minor changes were made based on that discussion. Alderman Rantzow made the motion to approve the ordinance. The motion was seconded by Alderman Bird. The motion was passed unanimously (5-0).

21. Certification of Unopposed Candidates by City Secretary and Ordinance Declaring the Same and Canceling the November 4, 2008 Election: Mayor Lambert explained this is needed in order to cancel the November 4th election. Mayor Lambert stated Jim Babcock and Jeff Robinson were running for re-election and Steve Spence was running for the third spot on the council being vacated by Dick Rantzow. There were no other candidates that applied for a place on the ballot; therefore the election could be cancelled. Alderman Bird made the motion to approve the ordinance. The motion was seconded by Alderwoman Haydon. The motion passed unanimously (5-0).

22. Development Policy-For Discussion Only: Mayor Lambert stated this item is for discussion only. The Development Policy is a document needed to clarify and add more formality to the process and will make clear that the City will be reimbursed for all the costs while working on a proposed development. This will be placed on the City's website and will be on the next agenda for consideration.

23. City Charter: Mayor Lambert said this item deals with the possibility of a Home Rule City Charter being adopted. He said he would like the Council to appoint the nominees for the commission at this meeting. Alderman Babcock stated Council discussed only being able to

appoint 15 members with 2 alternates at the last meeting; however after doing some research it was determined that due to the manner the commission is being appointed the number can be larger than 15. State law requires a minimum of 15 members on the commission and appointing a larger number would allow for a sufficient number in case some of the members withdraw. Alderman Babcock made the motion to nominate the 18 people on the list of nominees from the City Council. The motion was seconded by Alderwoman Haydon. The motion passed unanimously (5-0). The following people were appointed to the Charter Commission: Jim Browning, George Byrnes, Phil Caldwell, Jeff Claiborne, Jim Davis, Gene Geyer, Jerry Gray, Sharon Hull-Botello, Jim Jorden, Tony Koby, Ken Lindgren, Ken Martin, Ilene Perkett, Michael Pickering, David Pope, Rodney Teague, Michael Thomas, and Neal Younker. Alderman Babcock said he has prepared a draft of a home rule charter, which is a compilation of a dozen different charters, and then adapted it to reflect the City's current governance system. The current system is a Council/Manager form of government with the same length of overlapping terms, and administration. He stated he had also added some of the new provisions that are benefits of being a Home Rule City. Alderman Babcock said he would provide this draft information to the Commission along with the memo he gave to the Council a couple of months ago containing the timetable they might follow. The Commission will also be provided a copy of the "Texas Home Rule Charter" manual. Mayor Lambert stated this commission operates completely independent of the City Council. They make a recommendation to the Council and the Council will vote for or against it. If the City Council votes for the recommendation then the first opportunity to hold an election is May 2009. Alderman Babcock said the Mayor, City Attorney Akers and he will be at the first meeting to help get the commission started and answer any questions. City Manager Stan Farmer and City Secretary Teresa Moore will assist the commission as liaisons and with their meetings. The commission meetings will be posted as public meetings.

24. Streets: Mayor Lambert asked if any of the Council members had comments. Alderwoman Haydon said she would like everyone to be aware the Council is working to have these agreements completed by the December 16, 2008 meeting. Alderman Robinson added the agreements will not be specific on exactly to what extent each of the streets will be upgraded and will only relate to the City taking ownership of the streets in their entirety from the HSB POA, the Amenities Owner and the Declarant and putting together the financial commitment as it relates to the HSB POA and the Amenities Owner. The streets will be financed with a combination of assessments, ad valorem taxes, fees, permits, and possibly an additional sales tax. All of this is to be determined after the City takes ownership. The Mayor added that in addition the City will be evaluating some safety issues. Alderman Bird had asked the City Attorneys to research what liabilities the City might be accepting with taking ownership of the HSB POA streets and Barbara Boulware-Wells reported her findings to the Council. Mayor Lambert said there will be another Streets Workshop at 9:00 a.m. on October 21, 2008.
25. Adjournment: Alderwoman Haydon made the motion to adjourn the meeting at 4:25 p.m. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).

