

**CITY OF HORSESHOE BAY**  
**CITY COUNCIL PUBLIC MEETING**

**MINUTES**

November 17, 2009

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, November 17, 2009, 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  
Claudia Haydon, Councilperson  
Phillip Lee, Councilperson  
Jeff Robinson, Councilperson  
Steve Spence, Councilperson

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.
2. Invocation: Father Ruben Patino with St. Paul the Apostle Chapel led the invocation.
3. Pledges to the Flags: Mayor Lambert 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.
4. Public Comments: There were no public comments.
5. Staff Recognition:
  - a. Lottie Isaack – 5 Year Service Award

Mayor Lambert presented Lottie Isaack, City Custodian, with a plaque in appreciation of her years of service to the City.

6. Introduction of New Police Department Investigator Rocky Wardlow: Police Chief Bill Lane introduced Rocky Wardlow stating that he came to the City after retiring from the Texas Department of Public Safety with 30 years of service. The last 17 years were as a Texas Ranger.
7. Update from Dr. Ryder Warren, Marble Falls ISD Superintendent: Glenn Graham, Assistant Superintendent for Marble Falls ISD filled in for Dr. Warren. He stated that Marble Falls

ISD enrollment is slightly down this year. They are on the last portion of the building project with only the renovation of the old Colt Elementary into the new Administration Building.

8. Request by Ron Lowry for Forgiveness of Property Tax Penalty and Interest: Mr. Lowry addressed the Council explaining he does not feel it was his error that caused the problem with the Llano Tax Assessor's office. Councilperson Claudia Haydon made the motion to forgive up to \$300 property tax penalty and interest. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).
9. Items to be removed from the Consent Agenda: Councilperson Spence asked that Item 10e. be removed from the Consent Agenda for further discussion. Councilperson Babcock requested item 10b. also be removed for discussion.
10. Consent Agenda Items:
  - b. Amend Personnel Policy Salary Tables (Appendix B) and Merit Table (Appendix C)  
Councilperson Babcock said according to the City's Charter adopted in May, the Council appoints the City Manager, City Secretary, Chief of Police and the Fire Chief. He suggested that once City Manager Stan Farmer completes the evaluation forms for the City Secretary, Chief of Police and Fire Chief that these then go to the Council for their review and comments. The Council has always done the City Manager evaluation and there is no change in that procedure. Councilperson Robinson made the motion to approve the Amended Personnel Policy Salary Tables (Appendix B) and Merit Table (Appendix C) as presented and give Mayor Lambert the authority, as in prior years, to make minor adjustments to the merit table based on final achievement levels. The motion was seconded by Councilperson Babcock. The motion passed unanimously (5-0).
  - e. Llano County MUD #1 Water Interconnect Contract  
After Council discussion the decision was made to take no action on this item and to put it on the December 15<sup>th</sup> agenda for further discussion and possible action.
  - a. Minutes of the October 19, 2009 Public Workshop, the October 20, 2009 Public Meeting and the November 12, 2009 Special Public Meeting
  - c. 2009 Tax Roll submitted by the Llano County and Burnet County Tax Assessor-Collectors
  - d. Revised Contract to Provide Fire Fighting Services Between the City of Horseshoe Bay and Oak Ridge POA, Llano County MUD #1, The Hills Section I & II POA, and The Hills Section III POA
  - f. Non-Binding Resolution Supporting the Pursuit of the Energy Efficiency and Conservation Block Grants (EECBG) by the City
  - g. Interlocal Agreement with Llano County for the Provision of Street Paving and Improvements
  - h. Resolution Providing for the Sale of Property Acquired by the Burnet Central Appraisal District at Delinquent Tax Sale

Councilperson Spence made the motion to approve all Consent Agenda Items except Items b. and e. The motion was seconded by Councilperson Babcock. The motion passed unanimously (5-0).

11. Monthly Statistical Departmental Data Reports:

- a. City Manager; Administration; Community Services; Development Services; Fire Dept.; and Police Dept.

City Manager Stan Farmer gave an overview of the Departmental Reports and stated that the area in front of the Central Water Treatment Plant has been leveled and is ready for grass. The area in Martin Park going to the creek has been cleared of brush. He gave a progress report on Capital Improvement Projects that included the 12" water line project on which construction has begun and the West Elevated Storage Tank where the bid will be taken in December and then be on the January agenda for Council to consider awarding. Mr. Farmer added that Phase One of lot clearing, which included 150 lots along Fault Line, is complete. The right-of-way mowing is 50% complete in HSB Proper and 100% complete in HSB West. Mr. Farmer also reported that the City has submitted an administratively complete contract to LCRA to increase the City's volume through 2018; however we probably will only receive a contract increase equal to either 2008 or 2009 actual usage at this time and when Lake Buchanan and Lake Travis are at a combined 1.4 million acre feet they will again consider approving the 2018 requests. He added that water usage in the City continues to fall. Mr. Farmer told the Council the entrance to Bay West Blvd. on FM 2147 is currently being repaired using both hot mix and stamped concrete. He added there will be a presentation at the December meeting on the final FY 09 financial results.

12. Sign Ordinance Request for a 2 Foot High by 24 Foot Long Wall Sign for the Tall Texas Building (7401 FM 2147, Suite 1): Councilperson Lee made the motion to approve the sign variance with the addition of a provision that if the property between the two entrances to the Tall Texan is leased to another entity, the Tall Texan will be required to reduce the length of the sign so that it does not cover the entrance to the property between the two entrances to the restaurant. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

32. Public Hearing and Consideration to Determine Whether the Following Structures Should be Declared Public Nuisances and Unlawful under the Substandard Building Code Section 3.04.006:

- a. 116 Arollo Court, Lot No. SI1018-7 of Siena Creek Phase 2, Horseshoe Bay, Llano County, TX  
b. 202 Sweet Grass, Lot No. W17006A of Horseshoe Bay West Plat No. 17.1, Horseshoe Bay, Llano County, TX

Mayor Lambert convened a Public Hearing at 3:47 p.m. He asked if there were any comments. John Clary the Foreclosure Manager with Encore Bank stated the bank will maintain ownership of the house at 116 Arollo and has contracted with David Young to complete the house. Brad Hatfield stated that there are plans to complete the house at 202 Sweet Grass. The Public Hearing was continued to the December 15, 2009 Council meeting. City Inspector Mike Light will report back to the Council on these properties at the December 15, 2009 Council meeting.

33. Public Hearing and Consideration to Determine Whether the Following Structures Should have Repairs Ordered Under the Substandard Building Code Section 3.04.006:
  - a. 110 Amethyst, Lot No. W1067 of Horseshoe Bay West Plat No. W1.1, Horseshoe Bay, Llano County, TX
  - b. 112 Amethyst, Lot No. W1066 of Horseshoe Bay West Plat No. W1.1, Horseshoe Bay, Llano County, TX

Mayor Lambert convened a Public Hearing at 4:05 p.m. He asked if there were any comments. Brad Hatfield is representing the lien holder Arrowhead Bank on the property at 110 Amethyst. The owner is Bruce Holmen. Arrowhead Bank has agreed to take this property back from Mr. Holmen and complete the projects; however, the bank is not yet the owner and cannot begin the project until January 2010. At that time they will come back to the Council with a plan for completion. The Public Hearing was continued to the January 26, 2010 Council meeting. Richard Matthews spoke regarding the 112 Amethyst property. He stated that the bank has foreclosed on the property and has contracted with him to complete construction on the house. He has the subcontractors lined up and only needs a building permit from the City to begin work. He anticipates completing this project within two months. Mr. Matthews said he has visited with City Inspector Mike Light and Mr. Light feels it is ok to complete the project. No action was taken regarding Item 33b.

The meeting was adjourned for a recess at 4:18 p.m.

The meeting was reconvened at 4:27 p.m.

18. Investment Policy: Susan Pierce with American Bank of Texas, N.A. told the Council the City currently has \$3.2 million invested in Certificates of Deposit at American Bank. The CDs mature December 15, 2009. They are secured with eligible securities per the Texas Code such as Fannie Mae and city and school bonds. She also explained the CDARS program as a system set up to exchange monies with other banks in order for large depositors to maintain a balance below the amount insured by the FDIC. Councilperson Haydon made the motion to place \$3 million from the General Fund in the CDARS program for 1 year. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

Councilperson Robinson made the motion to renew the \$3.2 million in CDs with American Bank for six months. The motion was seconded by Councilperson Haydon. The motion passed (4-1) with Councilperson Spence voting against the motion.

The Council decided to look at the possibility of moving an additional \$2 million from TexPool at the December Council meeting and requested an analysis of available money for the December meeting.

13. Deer Management: City Manager Stan Farmer reported the City has received permits from Texas Parks and Wildlife for trapping and processing. The trapping will begin after the first of the year.

14. Low Water Crossings: City Manager Stan Farmer gave an update on the installation of the low water crossing gates.

15. Burnet County Regional Water Plan Study Request: Susan Roth spoke on behalf of Burnet County. Councilperson Robinson made a motion to decline this request. The motion was seconded by Councilperson Babcock. The motion to decline the request passed unanimously (5-0).
  
26. Conduct a Public Hearing and Consideration of Preliminary Plats:
  - a. Replat of Lot Nos. 5 and 6 of Bay Country, to be known as Replat of Lot Nos. 5 and 6 of Bay Country, Horseshoe Bay, Llano County, Texas (300 Haney Trace)

Mayor Lambert convened a Public Hearing at 5:05 p.m. He asked if there were any comments. There were none and he adjourned the Public Hearing. Councilperson Robinson made the motion to approve the item with the 3 items as required by staff. The motion was seconded by Councilperson Babcock. The motion passed unanimously (5-0).
  
16. Resolution Establishing Depository Accounts Delegated Authority: Councilpersons Babcock and Bird have served as signers on the City's Depository accounts. Councilperson Babcock said he has no problem continuing. Councilperson Haydon stated she could also serve in this capacity. Councilperson Robinson made the motion for Councilperson Babcock and Haydon to serve as signers on the City's Depository accounts. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).
  
17. Resolution Amending Authorized Representatives for TexPool: Councilperson Spence made the motion for Councilpersons Babcock and Haydon to serve as Authorized Representatives for TexPool. The motion was seconded by Councilperson Lee. The motion passed unanimously (5-0).
  
19. Horseshoe Bay Representative to Serve on Llano Central Appraisal District Board of Directors: Councilperson Haydon made the motion to nominate Louraine Robertson to serve on the LCAD Board of Directors for a term of two years. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).
  
20. Update on Construction Progress at 406 Lighthouse Drive House: The building permit on this house expires on December 15, 2009. City Inspector Mike Light stated that work has stepped up in the last ten days and they seem to be making more of an effort to comply with the time frame for completion. This item will be on the December 15, 2009 agenda for an update and a request by the builder for another building permit.
  
21. Update on Construction Progress at 2100 Crooked Run: Development Services Manager Eric Winter said this project is on schedule for completion in the 60 days allowed them by the Council.
  
22. Update on Properties Ordered to be Demolished or Removed: Development Services Manager Eric Winter said the fire damaged Hacienda Townhomes have been demolished. The potential purchaser of the lot has walked away due to problems between the owner of Unit 3 and her mortgage company. The work on the removal of the mobile homes in HSB South is progressing rapidly.

23. Update on Status of Completion of 5 Houses on Sun Ray: The houses at 300, 336 and 340 Sun Ray are on schedule to be completed by the deadline given by Council of January 22, 2010. The house at 1000 Sun Ray was given until February 20, 2010 and is on schedule to be completed by that time. The house at 1208 Sun Ray was reported to have been constructed on the wrong lot and therefore negotiations have been ongoing by the bank to acquire the lot it was built on. Development Services Manager Eric Winter told the Council that the lot has been purchased and a building permit has been issued in order to complete construction.
24. Public Hearing for Annexation of the North Parts of Lot 12038-C and 12039-B of Horseshoe Bay Plat No. 12.39 (500 Lighthouse Drive): Mayor Lambert convened a Public Hearing at 5:33 p.m. He asked if there were any comments. There were none and he adjourned the Public Hearing.
25. Public Hearing for Annexation of the North Parts of Lot 12038-C and 12039-B of Horseshoe Bay Plat No. 12.39 (500 Lighthouse Drive): Mayor Lambert convened a Public Hearing at 5:34 p.m. He asked if there were any comments. There were none and he adjourned the Public Hearing. Mayor Lambert stated this property will be considered for annexation at the December 15, 2009 Council meeting.
27. Ordinance Annexing Bay West Blvd. Right-of-Way North of FM 2147, Tracts R, S, T, and U of Horseshoe Bay West Plat No. 1.2 and FM 2147 West Right-of-Way West of Bay West Blvd.: Councilperson Robinson made the motion to approve the ordinance. The motion was seconded by Councilperson Haydon. The motion passed unanimously (5-0).
28. Development Agreements with Three Property Owners for 8 Tracts Totally or Almost Totally Surrounded by the City Limits and Generally Located as Follows:
- Glen Salem for 2 Tracts located on the South Side of FM 2147, South & West of Hi Circle South, and South of Escondido, Including the Quarry
  - Bobby and Norma Green for 2 Tracts located on the North Side of FM 2147, on the West Side of Tori Lane (Private Street West of the Post Office), and Extending West to Pecan Creek
  - Eugene and Suzanne Dillon for 4 Tracts located between Sun Ray and Escondido, South of Pecan Creek (831 Sun Ray)

Development Services Manager Eric Winter stated that all of the Development Agreements are signed by the applicants as of this meeting. Councilperson Robinson made the motion to approve the Development Agreements. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

29. Annexation Ordinance for 6 Areas Totally or Almost Totally Surrounded by the City Limits and Generally Located as Follows:
- Area 1** - includes Tract 1 - 0.5 Acres of N. Mendez Abstract #506 owned by Glenn Salem Trust, Tract 2 – 34.045 Acres of N. Mendez Abstract #506 owned by Glenn Salem Trust, and Tract 3 - a 22.08 acres portion of 34.48 acres consisting of 20.96 acres out of the Madison Putnam Survey No. 67, Abstract No. 587 and 1.12 acres out of the Nicholas Mendez Survey

No. 3, Abstract No. 506 Llano County, Texas conveyed to Horseshoe Bay Resort, Ltd. and Mathew Garrett Turner Trust.

**Area 2** - 18.534 Acres of M. Putnam Abstract #587 owned by Bobby N. & Norma Green.

**Area 3** - includes the Following Tracts all out of M. Putnam Abstract #587 - Tract 1 – 0.5 Acres owned by Bobby N. Green; Tract 2 - 18.534 Acres owned by Bobby N. Green; Tract 3 – 1.6 Acres owned by Escondido Club, Inc.; Tract 4 – 0.25 Acres owned by Deneib, Ltd.; Tract 5 – 1.838 Acres owned by PEC; Tract 6 – 4.93 Acres owned by James B. & Clelline Gammill; and Tract 7 – 1.23 Acres owned by 2147 Investments, LLC.

**Area 4** - 1.36 acres of Horseshoe Bay tract YY owned by Ron Mitchell.

**Area 5** - Unknown Size Tract Part of 245.0953 Acre Part of Tract KK-2, Horseshoe Bay Plat No. 54.1 owned by Horseshoe Bay Resort, Ltd.; and

**Area 6** - includes Tract 1 – 0.250 Acres J. Bratton Abstract #39; Tract 2 – 0.96 Acres J. Bratton Abstract #37 adjoining 9.04 Acres of J. Bratton Abstract #39; Tract 3 – 9.04 Acres J. Bratton Abstract #39; and Tract 4 – 5.046 Acres R. Bratton Abstract #39 – all owned by Eugene and Suzanne Dillon.

Councilperson Haydon made the motion to approve the Annexation Ordinance with the removal of the 8 tracts covered by the Development Agreements in the preceding agenda item. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

30. Annexation Service Plan for Lake Areas: Councilperson Babcock made the motion to approve the Annexation Service Plan. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

31. Schedule Two Public Hearings for Annexation of Lake Areas: Councilperson Robinson made the motion to schedule two public hearings regarding the annexation of the lake areas for the December 15, 2009 meeting. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

34. Public Hearing on Request by Barry Wisnevitiz for an Extension of Planned Development Zoning for the Shoppes at Hi Circle Which Expires on November 18, 2009 (SW Corner of FM 2147 & Hi Circle South): Mayor Lambert convened a Public Hearing at 5:38 p.m. He asked if there were any comments. There were none and he adjourned the Public Hearing. He said that the Planning and Zoning Commission had recommended approving the extension of the Planned Development but they also wanted to better define a convenience store and to add a definition of bar or nightclub to the Zoning Ordinance. Councilperson Robinson made the motion to approve extension of the Planned Development Zoning for the Shoppes at High Circle with the following language substituted in Section V (A) (5) of the PD Ordinance:

(5) Uses Not Allowed: No gas service stations or stand-alone convenience stores shall be allowed within this PD, but does not preclude a gourmet or deli-type market.

The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

35. Meeting Schedule for 2010: Councilperson Babcock recommended that the Council begin meeting twice per month. Councilperson Haydon made the motion to approve the proposed Council meeting schedule as presented based on one meeting per month as in past years. The motion was seconded by Councilperson Lee. The motion passed (3-2) with Councilpersons Babcock and Robinson voting against the motion.
36. Election of Mayor Pro Tem: Councilperson Spence made the motion that Mayor Pro Tem Babcock to continue his role as Mayor Pro Tem. The motion was seconded by Councilperson Lee. The motion passed unanimously (5-0).
37. Election of Chief Information Officer: Councilperson Haydon nominated Councilperson Jeff Robinson to continue as Chief Information Officer. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).
38. Skywater: City Manager Stan Farmer told the Council he has been working with Thad Rutherford with Skywater on their request for a Blasting Permit. The City's requirements were met; however LCRA has a gas pipeline through Skywater. The permit was denied based on LCRA's recommendation that no blasting be allowed any closer than 1300 feet to the pipeline. Skywater is meeting with LCRA representatives in order to appeal this requirement. City Staff is working with them on their building permit for Pods 3 & 4.
39. Sign Ordinance Variance Request by Skywater from Section 3.06.05 (2) (a) and (b) to Allow Construction of a 10' High by 5.7' Wide Permanent Entrance Sign (Southeast Corner of RM 2147 West and Shoreline View): This is a request by Skywater for a permanent entrance sign. Councilperson Robinson made the motion to approve the sign ordinance variance for a 10' x 8' circumference sign. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

The meeting was adjourned for a recess at 6:07 p.m.

The meeting was reconvened at 6:19 p.m.

40. Consider and take action on request from City Attorney regarding:
  - (a) Approval of invoice dated September 11, 2009 from Cordray & Tomlin law firm
  - (b) Revision of procedure for approving the City's legal invoices

The City Council and the City Attorney discussed certain legal bills and the process for approving an unpaid bill and future bills. The discussion also included the performance of the City Attorney and the relationship between the City Attorney and members of the City Council. The City Council concluded that it would evaluate its relationship with the City Attorney at its December 15, 2009 meeting.

Councilperson Robinson made a motion to approve payment of item 40a. The motion was seconded by Councilperson Haydon. The motion passed (4-1). Councilperson Babcock voted against.

