

**City of Meadowlakes
City Council Stated Meeting Minutes
September 8, 2009**

I. CALL TO ORDER AND QUORUM DETERMINATION:

Mayor John Aaron called the meeting to order at 5:00 p.m. declaring that the required quorum was present at the Meadowlakes Municipal Building in Totten Hall, 177 Broadmoor, Meadowlakes, Texas. Members present were: Mayor John Aaron, and council members Christine Forsyth, Franzella Jones, Bill Pickard, Joe Summers and Michael Tepper. Also present were City Administrator Johnnie Thompson and City Treasurer Eileen Harrison. City Secretary Linda Wendling was not in attendance.

II. PLEDGE OF ALLEGIANCE & PRAYER:

Councilmember Summers led the meeting members and guests in the Pledge of Allegiance. Councilmember Pickard led the meeting members and guests in prayer.

III. PUBLIC HEARING - Proposed Budget for fiscal year October 1, 2009 to September 30, 2010. (Attachment A & B)

Mayor Aaron initiated the hearing by stating that the budget was provided to the City Secretary on August 19th and posted to the City's website per requirements which now leads us to the public hearing phase. Mayor Aaron opened the floor for discussion and received no comments.

A. Discussion: Council and public comment/questions in relation to proposed budget; consideration of any warranted changes – Thompson/Harrison

Mr. Thompson stated he had no warranted changes. Council discussion ensued in relation to cutting the budget by \$570; therefore, instead of setting the rate at .2993 we could keep the exact same tax rate as last year of .299. Councilmember Forsyth also proposed to change the 2% cost of living raise for all employees and the 1% merit raise that was budgeted for the 1st of December so that it is based upon a merit pay system only. Council discussion ensued in relation to the proposed changes and clarification of other budget items. Mayor Aaron reiterated the proposed change and discussion ensued. Councilmember Tepper made a motion to move the 2% and 1% into one fund pool for merit raises. Councilmember Summers seconded the motion. The motion carried by unanimous vote.

B. Action/discussion: Adoption of the fiscal year budget (Sec. 102.007 (a and b))- Thompson/Harrison

Mayor Aaron stated the next item of business is to adopt the fiscal year budget with the above stated changes. Council discussion ensued in relation to the \$570 reduction and Mr. Thompson stated the General Fund and the Public Works Department Fund would equally split that reduction. Councilmember Pickard made a motion to adopt the fiscal year budget with the changes outlined. Councilmember Jones seconded the motion. The motion carried by unanimous vote.

C. Action/discussion/adoption: Ratify that the budget will raise more revenue via property taxes than in the previous year (Sec. 102.007 (c)) – Thompson/Harrison

Mayor Aaron introduced this item by stating this raise in revenue comes about by the assessment of the property value as opposed to the tax rate. Mr. Thompson stated the City will be generating approximately \$6,000 more in property taxes than we did last year; further stating this is mainly due to new construction and that the existing tax payers from last year are not being affected, basically. Councilmember Jones made a motion to ratify that the budget will raise more revenue via property taxes than in the previous year. Councilmember Forsyth seconded the motion. The motion carried by unanimous vote.

IV. STANDARD LIVE REPORTS:

A. POA Activity Report - Don Williams, President (Attachment C)

Mr. Williams presented the POA report highlighting Mr. Fields' resignation, pending nominations to fulfill that open position, yearly statements went out with POA dues not being increased, proxy vote for the upcoming annual meeting and meeting time/location, the acquisition of the POA Park Section II is agreeable to the POA board, and in closing, reminded the audience that their next meeting is Tuesday, September 14th, in Totten Hall. Mr. Williams responded to questions as posed.

B. City Administrator Activity & Financial Summary Report - Johnnie Thompson (Attachment D & E)

Mr. Thompson presented his report highlighting the financials, net gain for the year, revenues, operating expenses, and stated that the PWD remains in good financial shape over-all. Mr. Thompson provided figures for each fund and a review of the financial statements and recent expenditures; stating that the RCC fund continues to do poorly. In closing, Mr. Thompson mentioned office staff workloads and budget comparisons.

C. General Fund Financial Summary Report – Eileen Harrison

(Attachment F) Mrs. Harrison presented her report highlighting the general fund is in a good financial position, 99% of the Ad Valorem tax has been collected, city building permits are down more than expected, and briefly highlighted certain line item amounts of interest.

D. Public Works Department Activity & Financial Summary Report - Mike Williams (Attachment G)

Mr. Williams presented his report highlighting each bulleted item on Attachment D; water usage, residents' compliance with water conservation requests, wastewater treatment decrease, work performed for the POA, maintenance of water leaks and sewer stop ups, installed utilities for the temporary housing located at the water treatment plant, and ongoing fleet repairs. Council discussion ensued with Mr. Williams responding to questions as posed.

V. CONSENT ITEMS:

A. June 9, 2009 – Stated Meeting Minutes (Attachment H)

B. Ordinance Enforcement August Activity Report – Jerry Martinez, Officer (Attachment I)

D. Animal Control August Activity Report - Robbie Galaway, Officer (Attachment J)

E. City Building Committee August Activity Report - Blair Feller, Chairman (Attachment K)

F. General Fund August Financials Report- Eileen Harrison, Treasurer (Attachment L)

G. Utility Fund August Details Financials Report- Johnnie Thompson, City Admin. (See Attachment D & E)

H. RCC Fund (HFGC) August Detail Financials Report – Johnnie Thompson, City Admin. (See Attachment D & E)

Council and audience discussion ensued in relation to ordinance enforcement. Councilmember Jones made a motion to adopt the consent items as presented. Councilmember Pickard seconded the motion. The motion carried by unanimous vote.

VI. CITIZEN COMMENTS:

A. There were no citizen comments.

VII. OLD BUSINESS:

A. Action/discussion/update: Wastewater Permit renewal – Williams

Mr. Williams introduced this item by stating he had good news; the permit renewal process is moving forward which will save taxpayer money as opposed to obtaining a new permit. Mr. Williams outlined the reduction in flow from 200,000 gallons per day to 141,000 gallons per day, the city's response required by September 16th, and provided significant status information. Council discussion ensued with Mr. Williams responding to each question as posed.

B. Action/discussion/update: Patio Cover Project Construction Plan

Summers – Mr. Summers stated he is deferring this update to Mr. Thompson. Mr. Thompson informed the meeting members and guests that he will have something to report by the next council meeting; he is currently working on a price estimate for a soft cover.

VIII. NEW BUSINESS

A. Action/discussion: Meadowlakes Public Facility Corporation (MPFC) and HFGC Transition Status and Planning – Aaron

Mayor Aaron introduced this item by providing a status of the items already performed and items pending. Items already performed include: the negotiated contract with Jeff Wilson, council adopted the resolution of the PFC's formation, documents mailed to the Secretary of State, council approved the articles of incorporation, council adopted the contract, an all-hands meeting with the golf course employees took place, submission of the Texas Nonprofit Tax Form, working on Federal IRS notification of nonprofit status, a draft of the bylaws has been completed, a draft of the interlocal agreement between the City and the new corporation completed, a draft of the golf course lease agreement and use agreement completed, and the City loan to the PFC has been proposed and contained in the interlocal agreement. Mayor Aaron explained the next four agenda items, their purpose, and upon acceptance of same what steps will need to be taken next by the PFC and the City. A council question ensued in relation to police powers and enforcement. Mayor Aaron summarized by stating he is expecting the Secretary of State's notification shortly, outlined the organizational meetings, procedures, policies and training the PFC will carry out, and that we are on schedule to get this all in place. Council and audience discussion ensued. Mayor Aaron completed his

discussion by highlighting the liquor license hindrance. Council and audience discussion ensued.

B. Action/discussion: Meadowlakes Public Facility Corporation (MPFC) and City of Meadowlakes (the "City") Interlocal Cooperation Agreement – Aaron (Attachment M)

Mayor Aaron introduced this item by explaining that the State of Texas uses interlocal agreements to allow governmental agencies to enter into cooperative agreements with each other. Mayor Aaron noted the following: the standard template for interlocal cooperative agreements was used, meetings that took place between himself and Johnnie to ensure the agreement was precisely documented, it was written so it would transcend council's generations and corporation directors, and committee meetings have continued to share progress and allow for exposure to the intent. Council and audience discussion ensued including, expenditure of funds, advancements, previous loans, effects of default, review of the corporation's financials, response to resident's questions, and clarification of specific section language. Three proposed redlines were discussed. Councilmember Summers made a motion to approve the interlocal agreement as redlined. Councilmember Pickard seconded the motion. The motion carried by unanimous vote.

C. Action/discussion: MPFC Hidden Falls Golf Club (HFGC) Lease Agreement – Aaron (Attachment N)

Mayor Aaron introduced this item by providing a summary of its purpose, origination, and provided explanation of the annual reimbursable cost agreement. Council discussion ensued. Councilmember Pickard made a motion to accept the lease agreement as redlined. Councilmember Summers seconded the motion. The motion carried by unanimous vote

D. Action/discussion: MPFC HFGC Use Agreement – Aaron (Attachment O & P) Mayor Aaron introduced this item by stating that this document specifies the constraints by which the recreational complex may be utilized, legal review of same, and that similar documents are utilized by the City of Kyle. Council discussion ensued, including proposed redlines. Councilmember Tepper made a motion to adopt Revision B of the recreational complex use agreement as redlined. Councilmember Summers seconded the motion. The motion carried by unanimous vote. Mayor Aaron stated that the attached Exhibit "C," which is the amortization schedule for the loan discussed (Attachment P), now becomes part of the use agreement document. Council discussion ensued in relation to the repayment of the loan, understanding the payback schedule, and equipment replacement/maintenance.

E. Action/discussion: MPFC Bylaws – Aaron (Attachment Q)

Mayor Aaron introduced this item by stating the bylaws were reviewed last week with the council and that those comments were worked into tonight's document, in addition to adding clarification on some other items. Mayor Aaron reviewed the document by highlighting that the front part of the bylaws implement all the general powers of Section 3.03 of the Local Gov't Code, stating Section 7 was uniquely created for our distinctive purpose, proposed redlines, and allowed for council discussion. Councilmember Summers made a motion that we adopt the bylaws as redlined, Revision 6. Councilmember Forsyth seconded the motion. The motion carried by unanimous vote.

F. Action/discussion: Ordinance 2009-10; HFGC Swimming Pool Use Fee Restructure – Aaron

Mayor Aaron stated we are going to skip Item F because we do not have the city attorney's comments; the ordinance will be on a subsequent agenda.

G. Action/discussion: Purchase of Park Section II (unimproved park at Mahan and Quail) in fee simple title in lieu of condemnation – Thompson (Attachment R & S) Mr. Thompson introduced this item by highlighting the below listed items:

- This is currently an unimproved park
- The POA has no intentions of improving it other than what it is right now; which is a barren piece of property.
- Due to large power lines it is not desirable for the use of other structures other than what the PWD proposes.
- The PWD purposes to place approximately a 12 X 8 size, chemical feed building at this location.
- The need for the building includes a savings of \$600 to \$700 a week during summer months in a chemical called permanganate that the PWD is currently purchasing in order to keep the manganese down. Manganese is what causes the discoloration and slight odor in our water. Although the PWD feeds chlorine with ammonia at the water plant, since it's so far away it doesn't have time to oxidize and burn the manganese off.
- An easement already exists across all POA properties and streets.
- Reviewed discussion with the POA regarding liability of the feed station if the POA leased the property in lieu of the City's ownership.
- The POA has agreed for the City to acquire the 1.12 acres for \$10 plus consideration.
- The council needs to take action stating that the City will acquire the property in fee simple title in lieu of condemnation.
- The City has acquired several other small sets of property throughout the City for drainage purposes and they were acquired the same way
- The POA will save money on property taxes due in relation to this property.

Council and audience discussion ensued whereby Mr. Thompson responded to questions received with his answers highlighting:

- This action will not restrict the POA from later turning it into a park if the POA so desires; the POA could simply lease it back from the City.
- The benefit of the security gate not being affected if the POA elected to put in a park as opposed to the City putting in a public park.
- The structure will be completely secure and nice. Architectural stone, as was used for the Marble Falls Library, will be utilized. The structure will be self-contained with one metal door; it will have landscaping around it and they will try to dress up the area. The dead trees have already been scheduled for removal and this Fall they intend to clean up the remaining trees, trim them back, and attempt to extend their life.

Mr. Thompson reiterated that the action before the council was to decide to acquire the area in fee simple title in lieu of condemnation. Councilmember Summers made a motion that we approve the purchase of the Park II in fee simple title in lieu of condemnation. Councilmember Forsyth seconded the motion. The motion carried by unanimous vote.

H. Action/discussion: Resolution 12-2009 Nomination Form for the Board of Directors for the Burnet Central Appraisal District – Aaron

Mayor Aaron introduced this item by stating this step was to nominate individuals to be on the ballot and upon council and audience discussion the nomination form was deferred for a future council meeting.

I. Action/discussion: General Fund Line Item Transfers - Eileen Harrison, Treasurer (Attachment T)

Ms. Harrison requested a transfer of \$5,500 from the contingency fund to the legal fund; further stating this is the only line item transfer she anticipates for the fiscal year. Council discussion ensued. Councilmember Jones made a motion to accept the transfer as presented. Councilmember Summers seconded the motion. The motion carried by unanimous vote.

J. Action/discussion: Utility & RCC Line Item Transfers - Johnnie Thompson, City Administrator

Mr. Thompson had no line item transfers to propose.

IX. CITIZEN COMMENTS:

A. There were no citizen comments. One resident requested who they would need to speak to in relation to obtaining a new street sign. The resident thus notified Mr. Thompson and the request will be handled.

X. COUNCIL & MAYOR ANNOUNCEMENTS

A. Special Called meeting on Tuesday, September 22, 2009, at 5:00 p.m. in Totten Hall to set the property tax rate.

Mayor Aaron stated on September 22nd we would have a special called meeting to set the property tax rate as discussed earlier this evening and additional items will be on the agenda to be worked.

B. Public Forum to take place on September 29th from 5:30 until 7:00 p.m. at Totten Hall

Mayor Aaron stated the public forum is scheduled this month on September 29th at 5:30 here in Totten Hall.

XI. ADJOURNMENT:

The meeting adjourned at 7:07 p.m.

Approved:

/s/ John Aaron _____ **Date:** 9/8/09
Mayor

Attest:

/s/ Linda A. Wendling _____ **Date:** 9/8/09
City Secretary