



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, August 1, 2017

5:30 PM

City Council Chambers

630 E. Hopkins

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Thomaides at 5:30 p.m. Tuesday, August 1, 2017 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666

II. Roll Call

Present: 7 - Mayor John Thomaides, Mayor Pro-Tem Jane Hughson, Deputy Mayor Pro Tem Lisa Prewitt, Council Member Ed Mihalkanin, Council Member Saul Gonzales, Council Member Scott Gregson and Council Member Melissa Derrick

III. Invocation

Pastor Chad Chaddick with San Marcos First Baptist provided this evening's invocation.

IV. Pledges Of Allegiance - United States And Texas

Mayor Thomaides led the assembly in the Pledges of Allegiance.

EXECUTIVE SESSION

PRESENTATIONS

1. Receive a presentation providing an update on roadway negotiations with Texas Department of Transportation including Municipal Maintenance Agreement, Turn Back Program and Access Management, and provide direction to Staff.

Laurie Moyer, Director of Engineering/CIP, introduced Mr. Ed Collins, LJA Consulting who will be providing the presentation.

Ed Collins gave an update on roadway negotiations with Texas Department of Transportation including Municipal Maintenance Agreement, Turn Back Program and Access Management. Mr. Collins reviewed the project scope. He explained that he would be focusing on the following: Municipal Maintenance Agreement: Maintenance Responsibilities, Access Management, and Special standards for new equipment; City Design/Context Sensitive Considerations;

TxDOT Roadway Turn Back Program.

Council consensus is for Staff to begin the Municipal Maintenance Agreement update process and move forward with Priority #1 (Turnback Corridor) University – Sessom to Guadalupe and Guadalupe – University to I-35, and Priority #2 and #3.

2. Receive a presentation from the Historic Preservation Commission Chair regarding the 2016-2017 Annual Report of the Historic Preservation Commission and provide direction.

Diana Baker, Chair of the Historic Preservation Commission, provided Council with the Annual Report of the Historic Preservation Commission that outlined the accomplishments of the commission. Mrs. Baker provided that 29 Certificate of Appropriateness (COA) Requests were reviewed, and a majority were for signage Downtown.

She state the new Vision Statement of the Commission: “Using the power of history to transform lives, create a sense of place, and protect and promote the unique identity of San Marcos.”

She outlined the following 2017 Goals: Goal 1: Identify and Prioritize Historic Resources. Goal 2: Expand Protection of Historic Resources. Goal 3: Promote Historic Preservation through Outreach and Education.

Council Member Derrick asked about the Historic Resources Survey and the possibility of a full-time Historic Preservation Coordinator joining the City. Staff has said this position is not currently funded.

Council Member Derrick also asked about if other planners could assist Alison Brake. Shannon Mattingly informed council that other planners and staff do assist in the day to day issues with HPC.

Mayor Thomaides asked about the role of the commission regarding private property rights regarding their decision to be included in the Historic Preservation Commission. What if a property owner does not want to be included in the Historic District?

6:00 PM**V. 30 Minute Citizen Comment Period**

Alisha Roberts, addressed the Council on behalf of the Village San Marcos for the \$442k request. They are at the end of their fundraising. They have

requested \$300k from Hays County and \$200k from the Meadows Foundation. She asked that the Council provide the Staff the ability to identify resources whether it is from the utility funds or even the City taking out a low interest loan. She asked for a way to get there and that its not just about a building. Its about the people that we serve.

Ryan Patrick Perkins, addressed the Council about the Dining with Dogs Ordinance. He spoke about how San Marcos is a animal friendly town and many people enjoy bringing their pets with them when dining. He hopes that the Council will listen to the Business owners that are directly affected by this Ordinance. They are the ones that understand what is required and what is a hinderance. He asked that we draft a variance from the State. He referred to it as a doggie quarantine. He asked that the Council sit down with the principles that have an outdoor patio and speak to those business owners for a better insight about how best to address this issue. He urged Council to listen to all parties involved.

Carl Furry, addressed the Council regarding the Home Share Rental Ordinance and thanked the Council for seeing the value in this and please approve the \$50 home share rental fee. He also asked Council to seek a flexible set of rules to allow pets on patios as long as it is not a public safety hazard.

Carole Belver, Community Action Inc in San Marcos, spoke as part of the Village Main project. She thanked the Council for their prior committments. She has learned a lot about County and City budgets recently and would like the Council to view this as an investment. She has been bothered by the large amount of rent that these programs pay annually. With limited funding anyway we can reduce the cost will benefit those in need in our community. Ms. Belver noted the many services provided to the community. (LIST THESE)

Greg Clayton spoke out against a previous speakers comment regarding San Marcos being a pet friendly community. He mentioned the leash law and stated he was ticketed for playing fetch with his dog because he was off leash. He asked if his dog is off leash and under reasonable control then playing fetch should be allowed. He asked Council to reach out to him. He doesn't want to have to circulate a petition so that his dog can play fetch. He said we should change the current Ordinance and if it doesn't work, then it can be reversed. He wants to be a responsible dog owner.

Monica McNabb, spoke as a small business owner and resident of San Marcos,

she stated that one thing that stands true is that the small business owner is the base of San Marcos. She stated several restaurants that have closed in San Marcos. Please thoughtfully consider any ordinance that would hinder small business growth and please listen to the small business owners.

CONSENT AGENDA

A motion was made by Council Member Mihalkanin, seconded by Council Member Gonzales, to approve the consent agenda with the exception of items #5, 6, and 7, which were pulled and considered separately. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

3. Consider approval, by motion, of the following meeting Minutes:
 - A) July 5, 2017 - Regular Meeting Minutes
 - B) July 14, 2017 - Special Meeting Minutes
 - C) July 15, 2017 - Special Meeting Minutes
 - D) July 17, 2017 - Code SMTX Workshop Minutes
 - E) July 18, 2017 - Regular Meeting Minutes
4. Consider approval of Ordinance 2017-36, on the second of two readings, amending various sections of Subpart B, Land Development Code, of the City's Code of Ordinances to clarify the applicability of Neighborhood Character Studies to various requests and determinations under such Code; providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.
5. Consider approval Ordinance 2017-37, on the second of two readings, amending the Rental Nuisance Abatement Code Standards contained in Chapter 34, Article 7 of the City's Code of Ordinances to establish regulations and registration requirements for Home Share Rentals (formerly known as Short Term Rentals) of property for periods of less than 30 days, together with corresponding amendments to Chapter 4 of the Land Development Code, Subpart B of the City's Code of Ordinances to establish Home Share Rentals as a new land use, subject to the requirements of Chapter 34; providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.

Main Motion: a motion was made by Deputy Mayor Pro Tem Prewitt, seconded by Council Member Gregson, to approve Ordinance 2017-37, on the second of two readings.

Motion to Amend: a motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Mihalkanin, to insert (b) 8. It is unlawful to offer for rent

more than one rental agreement concurrently at the same rental unit in Sec. 34.821.3. Restrictions on Home Share Rentals. The motion carried by the following vote:

For: 6 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales and Council Member Derrick

Against: 1 - Council Member Gregson

Main Motion: to approve Ordinance 2017-37, on the second of two readings, as amended. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

6. Consider approval of Resolution 2017-114R approving the terms and conditions of a Joint Election Agreement between the City of San Marcos and Hays County for the holding of a Joint Election on November 7, 2017, and any Runoff Election that may be necessary; authorizing the Interim City Manager to execute the agreement on behalf of the City; authorizing the Interim City Manager and City Clerk to negotiate minor revisions to this agreement; and declaring an effective date.

A motion was made by Council Member Gregson, seconded by Mayor Thomaides, to approve Resolution 2017-114R. The motion carried by the following vote:

For: 5 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Gonzales and Council Member Gregson

Against: 2 - Council Member Mihalkanin and Council Member Derrick

7. Consider approval of Resolution 2017-115R approving an Election Services Agreement with the Hays County Election Administrator, for her provision of Election Services for the City's General and Special Election to be held on November 7, 2017 and, if necessary, a Runoff Election to be held in accordance with State Law; Authorizing the Interim City Manager to execute this agreement on behalf of the City; and declaring an effective date.

Main Motion: a motion was made by Council Member Gregson, seconded by Mayor Thomaides to approve Resolution 2017-115R.

Motion to Amend: a motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Mihalkanin, to strike Section VI. B. "Renewal. Subject to the termination rights set forth herein, this contract shall automatically renew annually." The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

Motion to Amend: a motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Mihalkanin, to strike the following in Section VI. C "either party" and insert "city". The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

Main Motion: to approve Resolution 2017-115R, as amended. Council provided direction to take the lead on a political subdivision group to discussion election equipment options for Hays County to consider. Ensure that the County understands that we want to be included in any future equipment discussions. The motion carried by the following vote:

For: 5 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Gonzales and Council Member Gregson

Against: 2 - Council Member Mihalkanin and Council Member Derrick

8. Consider approval of Resolution 2017-116R, approving an Interlocal Cooperation Agreement with the City of Frisco, Texas for a Cooperative Purchasing Program; authorizing the Interim City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
9. Consider approval of Resolution 2017-117R, approving a professional consulting services agreement to AECOM Technical Services, Inc. for the provision of Community Development Block Grant Disaster Recovery Housing Case Management and Pre-Construction Services (Owner Rehabilitation Program) in a not-to-exceed amount of \$642,605; contingent upon the consultants provision of sufficient insurance in accordance with the attached agreement; authorizing the Interim City Manager or his designee to execute this agreement on behalf of the City; and declaring an effective date.

PUBLIC HEARINGS - 7:00 PM

10. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2017-38, annexing into the City approximately 100 acres of land out of the Joel Miner Survey located at the Southwest Corner of Yarrington Road and Harris Hill Road in connection with the Whisper Development Project; approving a service plan for this area; including procedural provisions; providing for an effective date; and consider approval of Ordinance 2017-38, on the first of two readings.

Amanda Hernandez, Development Services Manager, provided a brief

presentation covering both items #10 and item #11 regarding the annexation, PSA, PDD and Zoning of the Whisper Development. First step is approving the annexation.

Mayor Thomaides opened the Public Hearing at 7:02 p.m.

Those who spoke:

Robert McDonald, 3735 Lost Creek Blvd., Austin, addressed the Council on behalf of the development and stated he was there to answer any questions.

There being no further comments, the Mayor closed the Public Hearing at 7:03 p.m.

A motion was made by Council Member Gregson, seconded by Mayor Pro-Tem Hughson, to approve Ordinance 2017-38, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

- 11. 7:00PM** Receive a Staff presentation and hold the second of two Public Hearings to receive comments for or against Ordinance 2017-39, approving an amendment to the Preferred Scenario Map of the City's Comprehensive Plan to change the land use designation for approximately 100 acres of land out of the Joel Minor Survey, located at the southwest corner of Yarrington Road and Harris Hill Road from an Area of Stability to Employment Center in connection with the Whisper Development Project; including procedural provision; providing an effective date; and consider approval of Ordinance 2017-39, on the first of two readings.

Mayor Thomaides opened the Public Hearing at 7:05 p.m.

There being no comments, the Mayor closed the Public Hearing Closed at 7:05 p.m.

A motion was made by Council Member Gregson, seconded by Council Member Gonzales, to approve Ordinance 2017-39, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

12. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2017-40, amending the Official Zoning Map of the City by rezoning 706 acres of land, more or less, out of the Joel Miner Survey and located at the Southeast Corner of IH-35 and Yarrington Road, known as the "Whisper" Development Project, from "FD" Future Development District and "GC" General Commercial District to "MU" Mixed Use District, "VMU" Vertical Mixed Use District and "HC" Heavy Commercial District, with an Overlay District of "PDD" Planned Development District; approving standards for said planned development district; including procedural provisions; and providing for penalties; and consider approval of Ordinance 2017-40, on the first of two reading.

Amanda Hernandez, Development Services Manager, provided the Council with a brief presentation covering the PDD request. She explained that the current PDD is a hybrid of the current Land Development Code and the proposed Code SMTX.

Mayor Thomaides opened the Public Hearing at 7:12 p.m.

Robert McDonald, 3725 Lost Creek Blvd, does a lot of business here in San Marcos and he thanked the planning department particularly Amanda Hernandez. He stated his excitement for this project and stated that they anticipate being under construction by this fall.

There being no further comments, the Mayor closed the Public Hearing Closed at 7:14 p.m.

A motion was made by Council Member Gregson, seconded by Council Member Gonzales, to approve Ordinance 2017-40, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

13. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2017-41, An amendment to the City's Official Zoning Map rezoning 0.11 acres of land, more or less, being a portion of lot 5, block 2, Dan McKie's Second Addition, Hays County, Texas, located at Lee Street from "T5" Urban Center to "SF-6" Single-Family District., and including procedural provisions; and consider approval of Ordinance 2017-41, on the first of two readings.

Shannon Mattingly, Director of Development Services, provided a brief presentation for this request. The subject property is adjacent to the Downtown High Intensity Zone as designated on the Preferred Scenario Map. The subject property is currently designated as an Area of Stability. The

applicant is requesting this zoning change in order to construct a single-family home which would not meet several requirements of the SmartCode; including the 2-story minimum, and requirement that 80% of the lot frontage be built-out.

Mayor Thomaides opened the Public Hearing at 7:45 p.m.

There being no comments, the Mayor closed the Public Hearing Closed at 7:45 p.m.

Council asked Staff to bring back a Discussion regarding waiving fees for anyone in a SmartCode area that may want to downzone their property.

A motion was made by Council Member Gregson, seconded by Mayor Pro-Tem Hughson, to approve Ordinance 2017-41, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

14. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2017-118R, approving the Substantial Amendment No. 3 to the Community Development Block Grant - Disaster Recovery Action Plan, and: authorizing the City Manager or his designee to act as the official representative of the City in matters related to the Community Development Block Grant - Disaster Recovery Action Plan; and declaring an effective date; and consider approval of Resolution 2017-118R.

Stacy Brown, Community Housing Manager, provided an overview to the Council regarding a recommendation to change the method of income eligibility determination from Section 8 - Part 5 to the IRS Adjusted Gross Income method from 100% of the six companies interviewed for the Case Management and Pre-Construction Services Contract. There are two major advantages in using the IRS Adjusted Gross Income Method which include a decrease in the time that it takes to qualify homeowners, and an increase of qualified homeowners.

Mayor Thomaides opened the Public Hearing at 7:52 p.m.

Roland Saucedo, 211 Ebony Street, is in favor of using the IRS Form as presented. It is easier and will help allow more citizens to qualify for funding,

There being no further comments, the Mayor closed the Public Hearing Closed

at 7:53 p.m.

A motion was made by Mayor Pro-Tem Hughson, seconded by Deputy Mayor Pro Tem Prewitt, to approve Resolution 2017-118R. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

15. 7:00PM Receive a Staff presentation and hold the first of two Public Hearings to receive comments for or against two requests by Jennifer M. Garcia on behalf of 417 North Comanche Partners, LLC, for approximately 0.212 acres located at 323 Lindsey Street within the J.M. Veramendi Survey Abstract No. 17, regarding the following matters:
- (a) PSA-17-03 - A Preferred Scenario Amendment from Area of Stability to High Intensity
 - (b) ZC-17-13 - A Zoning Change from Multifamily (MF-24) to T5 Urban Center, SmartCode (Comanche II)

Shannon Mattingly, Director of Development Services, provided the Council with a presentation of the request from 417 North Comanche Partners, LLC for a PSA from an Area of Stability to High Intensity and a zoning change from Multifamily 24 to T5 Urban Center, SmartCode.

Staff will send analysis of the difference to Council.

Mayor Thomaides opened the Public Hearing at 7:39 p.m.

Jennifer Garcia 16713 Corey Cactus, Austin, addressed the Council as the applicant for the zoning change and PSA. She stated that they would be doing the second phase of The Pointe student housing development which is currently under construction on this property.

There being no further comments, the Mayor closed the Public Hearing at 7:40 p.m.

No further action is required at this time.

NON-CONSENT AGENDA

16. Consider approval of Ordinance 2017-42, on the first of two readings, amending Section 18.095 of the San Marcos City Code that provides for a variance to allow dogs at food establishments by adding a requirement for a courtesy meeting with applicants for a variance, requiring training for food establishment employees regarding the Ordinance and the terms of any variance granted, modifying the requirements for signage and the

standards for cleaning and sanitation at food establishments that allow dogs; providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.

A motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Gregson, to approve Ordinance 2017-42, on the first of two readings.

The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

17. Consider approval of Ordinance 2017-43, on the first of two readings, amending Ordinance 2017-05 which adopted a schedule of fees to be charged by the City for various City Services, by adding a new fee for the registration of Home Share Rentals (formerly known as Short Term Rentals); providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.

A motion was made by Council Member Derrick, seconded by Council Member Gregson, to approve Ordinance 2017-43, which includes a \$50 application fee and a \$50 renewal fee per year, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

18. Consider approval of Resolution 2017-119R, approving a third addendum to the Chapter 380 Economic Development Incentive Agreement with Humpty Dumpty SSM, Ltd. in connection with the redevelopment of Springtown Shopping Center, which amends the agreement by providing waivers of certain exterior building material and design standards for the Vertical Mixed Use (VMU) portion of the development and allowing certain development waivers to extend beyond the term of the agreement; authorizing the Interim City Manager to execute the third addendum; and declaring an effective date.

Main Motion: a motion was made by Council Member Mihalkanin, seconded by Mayor Pro-Tem Hughson, to approve Resolution 2017-119R.

Motion to Amend: a motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Mihalkanin, to amend the agreement by requiring that the garage articulation look like exhibit 6c provided in Exhibit F provided by Endeavor. The motion carried by the following vote:

For: 6 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales and Council Member Derrick

Against: 0

Recused: 1 - Council Member Gregson

Main Motion: to approve Resolution 2017-119R, as amended. The motion carried by the following vote:

For: 6 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales and Council Member Derrick

Against: 0

Recused: 1 - Council Member Gregson

19. Consider approval of Resolution 2017-120R, directing publication of Notice of Intention to issue Certificates of Obligation in the amount of approximately \$34,700,000.00 (1) constructing, improving, extending and expanding City streets, bridges, sidewalks, bike lanes, pedestrian lanes, bus stops, parking, and related traffic improvements including acquiring any necessary rights-of-way and equipment; (2) constructing, improving and extending the City's water and waste water system including acquiring equipment; (3) constructing, improving and extending the City's Electric Utility System including acquiring equipment; (4) constructing, improving and designing existing municipal buildings to include the Activity Center, City Hall, Library, Public/Community Services Building and related equipment purchases; (5) constructing, designing, equipping and renovating City Parking Facilities; (6) constructing and improving the City's Drainage and Flood Control Facilities; (7) constructing and improving the City's airport; (8) constructing, designing, equipping and renovating Public Safety Facilities to include Police and Fire Station Improvements and equipment purchases; (9) replacing, improving, and developing the Disaster Recovery Infrastructure and Network Infrastructure equipment and other matters related thereto.

A motion was made by Council Member Mihalkanin, seconded by Council Member Gonzales, to approve Resolution 2017-120R. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

20. Discuss and consider an appointment to fill a vacancy on the Convention and Visitor Bureau Board and San Marcos Commission on Children and Youth, and provide direction to Staff.

A motion was made by Council Member Gregson, seconded by Mayor Pro-Tem Hughson, to approve the appointment of Sandy Clinton to the Convention and Visitor Bureau Board and the appointment of Tricia Marquart to the Commission on Children and Youth. The motion carried by

the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

21. Receive a Staff presentation and hold discussion regarding the preliminary Fiscal Year 2017-2018 Budget, and provide direction to Staff.

Heather Hurlbert, Director of Finance, reviewed Bond Projects & Tax Rate Increase information. Ms. Hurlbert provided that the Bond included \$29,400,000 in projects and an increase of \$1,900,000 in operating expenses for the Highpoint Fire Station and the Library. Ms. Hurlbert provided the following information related to tax rate increase options:

Estimated tax rate increase of 8.37 cents

- 4.60 cents was for debt service
- 3.77 cents was for operations

Full tax rate can be levied-3.77 cents will go to operations

• Can be used to add additional staff to Fire or Library in preparation for expansion, fund one time expenses, or increase the fund balance

- Potential additional revenue of \$1,200,000 in FY18
- Can increase to the lower of the 56.79 or the rollback rate

4.60 cents will go to debt service fund

- Will be used for debt service once debt is issued
- Revenue collected over debt services can be used for debt defeasance

Council provided consensus for Staff to move forward with the following:

Recommend levying full tax rate increase

Continue preparing projects

Have a workshop with Dan Wegmiller from Specialized Public Finance in August or September to discuss options for debt issuance

Form a Bond Oversight Committee

Explore project management options

Mrs. Hurlbert continued with the outside agency requests:

The Village Main

- Requested a lump sum payment
- Requested payment during FY18

CASA

- Requested consideration for a shorter term payment
- If paid over several years, would need an amount greater than the initial request of \$350,000

- Requested a different funding trigger than building completion

Mrs. Hurlburt offered the following Funding Options for the outside agency requests:

- Using existing \$450,000 social services budget allocation to fund The Village Main project in FY17 and CASA in FY18
- Move forward with a pay out over several years commencing in FY18
- Issue short term bond debt to fund The Village Main project and fund amounts in future fiscal years for CASA
- Use revenue generated by tax rate increase

Mayor Pro Tem Hughson suggested that the first sales tax revenues from Best Buy fund the Village Main request as the money comes in. Council provided consensus to move forward with this suggested funding option.

Council also provided consensus to fund CASA by moving forward with a payout over several years commencing when sign construction agreement and improvement funding commitments are met.

Council provided consensus to proceed with the recommendation for new expenses, but directed City Management to find the \$20,000 for downtown landscape maintenance somewhere.

Staff will provide a list of everything that is being funded and the "parking lot" list. Staff will provide the drainage fee information to the Council on August 15.

VI. Question and Answer Session with Press and Public.

None.

VII. Adjournment.

Mayor Thomaides adjourned the regular meeting of the San Marcos City Council at 11:02 p.m.

Jamie Lee Case, TRMC, City Clerk

John Thomaides, Mayor

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov