

City of Wimberley
City Hall, 221 Stillwater
Wimberley, Texas 78676
Minutes of Regular Meeting of City Council
October 6, 2016 at 6:00 p.m.

City Council meeting called to order at 6:00 p.m. by Mayor Mac McCullough.

Mayor McCullough gave the Invocation and Councilmembers led the Pledge of Allegiance to the United States and Texas flags.

Councilmembers Present: Mayor Mac McCullough, Councilmembers Bob Dussler, Craig Fore, Sally Trapp, Gary Barchfeld, and John White.

Staff Present: City Administrator Don Ferguson & City Secretary Cara McPartland

Proclamation

Proclamation of the City Council of the City of Wimberley, Texas, honoring Hays County Precinct Three Deputy Constable Travis Brown for his recent recognition as the 2016 Patriot of the Year.

Mayor McCullough presented the proclamation to Hays County Sheriff's Department Deputy Constable Travis Brown.

Remarks by Mayor Mac McCullough

This item was heard after Agenda Item 3A.

Citizens Communications

No citizen comments were heard.

1. Consent Agenda

- A. Approval of minutes of the Regular City Council meeting of September 15, 2016.
- B. Approval of minutes of the Special City Council meeting of September 21, 2016.
- C. Approval of minutes of the Special City Council meeting of September 26, 2016.
- D. Approval of the reappointment of Neel Morton to the City of Wimberley Building Code Board of Review. (*Place Three Councilmember Sally Trapp's nominee*)
- E. Approval of the appointment of Linda Webb to the City of Wimberley Hotel Occupancy Tax Advisory Committee. (*Wimberley Valley Chamber of Commerce*)
- F. Approval of the Fiscal Year 2017 City of Wimberley Holiday Schedule.

Councilmember White moved to approve all Consent Agenda items, as presented. Councilmember Barchfeld seconded. Motion carried on a vote 5-0.

2. City Administrator Report

- Status report on the Central Wimberley Wastewater Project

City Administrator Ferguson anticipated the consultant's presentation of proposed wastewater rates at Council's next meeting. He advised that Councilmember Trapp will speak later in the meeting on the second meeting with Aqua Texas representatives. He stated TCEQ is reviewing the City's Chapter 210 permit application (for irrigation) and TWDB's review continues on the City's collection system/treatment plant design. He noted there is one remaining interview to be conducted on project management and anticipated a recommendation to Council on October 20, 2016. City Administrator Ferguson said the water balance study has been completed by Alan Plummer Associates, which found additional runoff from irrigation would not occur until than 100,000 gallons of irrigation water was applied. He stated that the Park is fully capable of handling all of the effluent that comes from the plant, noted that plant capacity is 75,000 gallons, and reminded that effluent can also be sent to other areas, if desired.

City Administrator Ferguson said the City has been notified that the U.S. EDA has awarded the City a \$1,000,000 grant to help fund development of the Central Wimberley Wastewater Project, with terms and conditions of the grant award to be presented to Council on October 20, 2016. He thanked all public officials involved in the City's efforts to secure the grant. He advised that water quality test results following Market Days indicated a spike of about 700-800 in E. coli levels downtown.

- Status report on La Buena Vista Roadway Improvement Project

City Administrator Ferguson reported the project has been completed on time and within budget, at a total cost of \$68,597.

- Status report on Deer Crossing Drainage and Road Improvement Project

City Administrator Ferguson reported on the scope of the project as set by FEMA and noted work remaining to be done, including additional needed pavement/drainage improvements. He displayed photos of portions of the road in need of scarification/base/resurfacing work and noted significant drainage issues.

- Status report on Scudder Elementary School traffic concerns

No report was given on this item.

- Status report River Road Riverbank Restoration Project

City Administrator Ferguson reported on project scope involving 190 feet of reinforced concrete retaining wall and approximately 2,700 feet of reinforced concrete rip-rap. He noted the deadline for project bids is Tuesday, October 25, 2016. He anticipated completion within the projected 90-day timeframe.

Mayor McCullough commended all those who originated the process of securing the U.S. EDA grant. In response to Councilmember Trapp's inquiry regarding unrepaired flood-damaged homes, City Administrator Ferguson replied that work continues on completing the inventory of said homes.

3. Presentations

- A. Presentation regarding the various emergency phone notification systems available to residents of Hays County. (*Hays County Emergency Management Coordinator Kharley Smith*)

This item was heard after presentation of the abovementioned proclamation.

Hays County Emergency Management Coordinator Kharley Smith provided an overview of emergency alert systems, including Code Red and IPAWS, as well as additional sources of information such as www.haysinformed.com and local media such as FM radio-based messaging. She provided details on each system, criteria for activating alerts, registration information, and improvements in data collection and tools for analyzing such data. City Administrator Ferguson advised the goal of coordinating Hays County/City of Wimberley notifications is to get the word out to as many people as possible. Code Red registration forms were distributed to audience members. Mayor McCullough thanked Ms. Smith for her presentation.

- B. Presentation of Hotel Occupancy Tax funding recommendations for the period from October 2016 through December 2016. (*City of Wimberley Hotel Occupancy Tax Advisory Committee Chair Tomas Palm*)

This item was heard after Agenda Item 2.

Hotel Occupancy Tax (HOT) Advisory Committee Chair Tomas Palm provided background on the Committee's work to date developing Council-approved guidelines and goals, including criteria for consideration of funding request proposals. Committee member Mark Bursiel displayed information on various statistics, funding focus and prioritization, and specific criteria used to make decisions on funding proposals and recommendations.

HOT Advisory Committee member Bob Cook explained specific reasoning and approval/denial criteria for each of the Committee's funding proposal applications and presented the following recommendations, which he said must include an increase in "heads in beds."

Texas Property Masters (Phil Collins)

Total project proposal cost: \$10,000

HOT funds requested: \$5,000

The Committee recommended funding this application with the requirement that advertising be expanded to include Dallas and/or Houston per the state legislature guidelines that "a visitor travels 50+ miles."

Wimberley Valley Arts and Cultural Alliance (WVACA) (for Wimberley ALIVE Music and Arts Festival)

Total project proposal cost: \$32,000

HOT funds requested: \$20,000

The Committee recommended funding the advertising budget only of this plan.

Wimberley Valley Tourism & Lodging Association (WVTLA)

Total project proposal cost: \$205,000 (first year)

HOT funds requested: \$80,000 (first year)

The Committee recommended funding the full 3-year request, which includes an \$80,000 line of credit for the first year.

EmilyAnne Theatre and Gardens

Total project proposal cost: \$16,315

HOT funds requested: \$3,000

The Committee recommended not funding this proposal.

Wimberley Valley Convention and Visitors Bureau Foundation

Total project proposal cost: \$18,600

HOT funds requested: \$13,020

The Committee recommended not funding this proposal.

HOT Advisory Committee members Tomas Palm and Mark Bursiel spoke on approval requirements related to Return on Investment (ROI) and high/low points of the Committee's work over the past year, including favorable remarks on the functioning of the Committee and acknowledgement of some contentiousness surrounding certain issues. Mr. Bursiel also spoke on HOT collections to date, number of funding proposals received, and upcoming review of future proposals. Citing the amount of HOT collections and number of funding proposals, Mr. Palm recommended that Council consider reducing the HOT tax rate to zero percent (0%), which he said was based on informal Committee discussion. Councilmember Trapp thanked Mr. Palm and the Committee for outstanding work.

Wimberley Visitor's Center volunteer Patti Morgan spoke of her eleven years serving visitors and recounted a 2005 influx of visitors triggered by a Houston hurricane evacuation and said she would be more comfortable to have all lodging industry members available to handle the next crisis. She said she supports the Visitor's Center as a humanitarian who "looks at people as people, and not commodities." She referenced a book on Wimberley's history and cited the Visitor's Center as a valuable institution with a long record to stand on.

WVTLA Chair Albert Valera felt very excited about his organization's proposed Destination Marketing Organization (DMO), which he said represents a quantum leap "in what we think about tourism." He described the DMO as a "three-legged stool," requiring funding, part of which are HOT funds that he sees as a "credit line." He noted that the DMO would require hiring of an executive director and welcomed partnering with the Chamber of Commerce to either absorb the existing Visitor's Center or potentially work with them in the current location as part of the DMO. He said the focus is on responsible tourism and increasing first/fourth

quarter tourism and questioned the ability of the City's infrastructure to handle increased visitors, which he said begs the question of whether a HOT tax is needed to bring in more visitors. Mr. Valera believed the DMO is a great idea, but suggested proceeding with caution, and favored working together with the community, including merchants, venue operators, artists, etc.

WVTLA Board member Robbie Walker expressed appreciation to the Chamber of Commerce/Visitor's Center volunteers and said there is no desire to conflict or interrupt its work and hoped for an expanded role for the Visitor's Center. At meetings, Mr. Walker said the Chamber has rebuffed attempts to work together.

Wimberley Chamber of Commerce/Visitor's Center Board member Brent Pulley distributed a handout to Council and expressed agreement with some of the HOT Committee's analysis, but disagreed with its solutions. He reminded the Committee is an advisory body and of the need for due diligence by Council. Mr. Pulley referenced his handout and noted there is no legislative requirement for ROI. He pointed to the proposed DMO's lack of ROI for its first year of operation, despite its request for \$80,000 as a line of credit. He noted challenges in projecting ROI and cited problems associated with certain types of funding requests (such as for building AC repair/replacement) when funding criteria makes it very difficult to project numbers of overnight visitors. Mr. Pulley questioned certain projections made in the DMO proposal and said the DMO would lose \$129,000 without HOT funds. He was concerned that the DMO would rely on external money generated from sale of bonds/stocks and noted the WVTLA website. He said there is no financial information in WVTLA's application (such as P&L, tax returns, etc.) which should be in its funding request proposal. He questioned WVTLA's membership numbers. Mr. Pulley said he loved this community and wanted to work together, but said due diligence and action based on fact is needed.

Wimberley Visitor's Center volunteer Mike Scott referenced WVTLA's application asking for \$180,000 in funding over a three-year period and a previously submitted handout. He directed attention to possible errors in WVTLA's DMO Financials (Line 9 and Total Recurring Revenue) that may have doubled the amount of income listed and referred to a spreadsheet correcting the referenced possible error, which would result in a significant loss. He also questioned the column labeled "Year 0" in the DMO Financials and cited criteria to be used for "Year 1" projections. He noted that during "Year 0" the DMO would not be operating as a business, but for organizational purposes. He said in an organizational year, the types of expected costs are start-up costs, filing fees, furniture, and equipment. Mr. Scott concluded that we really do not know what WVTLA is projecting and needs more clarification. He closed by stating that if WVTLA's funding request is really a line of credit, then it would need to be repaid, and there is no repayment schedule in its proposal. He said it needs to be evaluated as a funding request on the same basis as others submitted and asked that Council makes sure it understands what is in it before approving it.

Wimberley Valley Chamber of Commerce/Visitor's Center Director Cathy Moreman took personal offense, as do her twelve volunteers present at tonight's meeting, at the Committee's recommendation to deny funding. She said her volunteers are there to promote not only "heads in beds" but to promote Wimberley as a tourist destination. She said they do a great job, are well-trained, and are offended by this decision, as the Center puts "heads in beds" on a daily

basis. She thanked Patti Morgan and her husband for their generous donation of time and money to the Visitor's Center and recounted a story of an Iowa couple who were inspired to come to Wimberley by a USA Today article. She spoke of volunteer Morgan's interaction with the couple, who remain in contact and spread positive comments about Wimberley and will continue to visit Wimberley in the future. She estimated that six percent (6%) of people who come to the Visitor's Center decide to stay in Wimberley. Ms. Moreman pointed out the following: WVACA requested \$20,000, but was recommended to receive only \$5,000; she re-submitted her organization's funding request by the next quarter's September 30th deadline; and stated there is no need for Wimberley to have two visitor's centers when we have one excellent, beautifully functioning visitor's center. Ms. Moreman closed by encouraging attendance at the upcoming Wimberley ALIVE Music and Arts Festival and noted the need for volunteers.

Mayor McCullough thanked all those who serve at the Visitor's Center.

Chamber of Commerce and WVTLA member Dan Sturdivant expressed disappointment regarding the negativity surrounding this issue, recognized the Visitor's Center's worth, but said times are changing and all need to work together to determine what we want for Wimberley.

Chair Tomas Palm said he thought the Committee was supposed to discuss and analyze the pros/cons of each proposal and stated that the DMO proposal includes a "big chunk of at-risk money up-front." He noted that \$125,000 will all be spent before any of the HOT money is going to be given for the DMO. WVTLA President Albert Valera offered to address any financial concerns Council may have.

Hearing no further speakers, Mayor McCullough closed public comments.

4. Discussion and Possible Action

- A. Discuss and consider possible action regarding Hotel Occupancy Tax funding proposals for the period from October 2016 through December 2016. (*Mayor Mac McCullough*)

Mayor McCullough opened discussion and requested Council input.

Councilmember Dussler was surprised and disappointed on the Committee's recommendation to decline the \$3,000 funding request from EmilyAnne Theatre for advertising, which he said expects to attract 28,000 guests for the Trail of Lights event. He stated the EmilyAnne Theatre's ROI calculations are significantly over the required amount and found it difficult to understand why funding would be denied for this organization and asked that this request be reconsidered. He was also opposed to denial of funding for the Wimberley Valley Convention and Visitors Bureau Foundation, which receives and helps 15,000 visitors each year, providing them with information regarding activities, events, and recommendations for dining and lodging. He noted the difficulty of tying a specific lodging recommendation with a booked room and the problematic nature of calculating a primary/secondary ROI. He stated that HOT tax legislation enables cities to fund visitor's centers without an ROI calculation. He said the all-volunteer Visitor's Center staff gets high marks from the community for its efforts and his review of financial statements shows a profit for each year. He was concerned about the decision to deny

funding to a key player in Wimberley's tourism effort, questioned whether it was logical, and hoped the request can be reconsidered. He expressed concerns regarding the \$180,000 funding request from WVTLA for DMO development, however, said the basic premise to establish Wimberley as a destination getaway for business travelers to host management retreats and the like was not a topic discussed by Council. He felt that Council needs to be in agreement on moving in this direction before funding a start-up. He noted the success of other types of travelers to Wimberley, and said focus on business travelers might be a logical addition, but felt Wimberley first needs to decide on what it wants to be. He cited Bastrop's decision to close its visitor's center in favor of a DMO, but reminded that Bastrop has a 490-room resort, a golf course, spa, bars, and restaurants. He stated Wimberley would need the infrastructure necessary to accommodate business groups and offer amenities. He said golf outings would likely be at Woodcreek where golfers would be walking around in Type II effluent, which is not very appealing. He said the DMO financing proposal is questionable and not appropriate for Wimberley or for funding a start-up and did not favor committing for a large amount over a long period due to the risk of failure and no way to recoup capital. Councilmember Dussler questioned what the City would get for its contribution, which would fund the bulk of the capital and asked who would own the equity in any profits interests. He recommended freezing consideration of all requests until Council is in agreement on Wimberley's direction.

Councilmember Fore appreciated everyone's comments and work and expressed support for the HOT Advisory Committee. He expected that fighting over who receives money would become an issue and agreed with Councilmember Dussler to defer action, as he was not comfortable in moving forward at this time.

Councilmember Trapp thanked the Committee for working together in a divisive climate and reminded one of her goals is to empower the City's committees. She recommended following the Committee's recommendations.

Councilmember Barchfeld expressed disappointment in the lack of partnership shown tonight and thanked the Committee. He said we have to play together and live with the HOT tax. He liked supporting the Committee, noted Councilmember Dussler's questioning of EmilyAnne Theatre's funding request denial, but understood that EmilyAnne Theatre received a grant of \$20,000, which he said improved their position. He pointed to the Committee's list of nine rules and the primary focus as putting "heads in beds." He felt that there are good proposals, but was not ready to fund the DMO proposal without further study. He said we need to decide what we want as a community and stated without tourism, Wimberley would have a property tax. Councilmember Barchfeld said Council is trying hard to do a good job, but noted the Committee has developed rules approved by Council, and those rules must be met. He said the Visitor's Center application did not meet some of the Committee's criteria such as the ROI requirement. He stated Council has to take the spirit of anxiety out of this issue and make adult decisions.

Councilmember White felt that the involved parties have not played well together and cautioned against the DMO proposal as overly complicated and creating a lot of paper/accounting work. He said we already have a place to handle what we need to do (the Visitor's Center) and said we are lacking a vision for targeting the problematic slow quarters. He stated Wimberley is just not ready for business tourists or conferences, citing lack of adequate facilities. He felt that there

needs to be more indoor events to increase winter tourism. Councilmember White stated there has to be a way for these two entities to work out of the Visitor's Center building and favored funding maintenance/operation of the Visitor's Center, if it includes the tourists association and all hoteliers, bed and breakfasts, and everyone else.

Mayor McCullough spoke of the need for involved players to work well together. He said long-time resentment must be overcome and liked Council's comments on this matter. Discussion addressed pursuing a vision for Wimberley and postponing action on some Committee recommendations, with the exception of time-critical funding proposals. City Administrator Ferguson noted that there may be a legal issue with extending public funds as a line of credit. Discussion addressed considering approval of funding requests for Wimberley Valley Arts and Cultural Alliance (for Wimberley ALIVE Music and Arts Festival) and Texas Property Masters (Phil Collins), and reconsideration of funding requests from Wimberley Valley Tourism & Lodging Association (WVTLA) and Wimberley Valley Convention and Visitors Bureau Foundation, which has submitted funding request for the next quarter.

Councilmember Trapp moved to approve the funding requests from Texas Property Masters and Wimberley Valley Arts and Cultural Alliance, as recommended by the Committee, and to hold action and study the DMO funding proposal for the next thirty (30) days.

Councilmember White suggested a two-week timeframe, rather than the aforementioned thirty (30) day period. Councilmember Dussler hoped to reconsider the Visitor's Center's funding proposal and felt recommending denial is a mistake. Councilmember Trapp felt the HOT Committee should reconsider the proposals and come back to Council. Councilmember Barchfeld agreed with Councilmember Trapp that the Committee has worked for over a year on this and has said that the Visitor's Center did not come up with an appropriate proposal.

Councilmember Trapp restated her motion to approve the funding requests from Texas Property Masters and Wimberley Valley Arts and Cultural Alliance, as recommended by the Committee, and that the DMO funding request go back to the Committee, as well as discussion of a vision for Wimberley. Chairman Palm said the Commission would need several months to develop a vision and asked if Council wants the Committee to change its guidelines.

Councilmember Trapp restated her motion to approve the funding requests from Texas Property Masters and Wimberley Valley Arts and Cultural Alliance, as recommended by the Committee and to send the DMO and Visitor's Centers funding proposals back to the HOT Advisory Committee for further study. Mayor McCullough said he would like inclusion of language that would require the parties to work together ("play nice").

Councilmember Barchfeld said the guidelines are there to be followed and if the Visitor's Center submits another fully completed application, then that is the way it is supposed to be done to avoid being political.

Councilmember Trapp restated her motion to approve the funding requests from Texas Property Masters and Wimberley Valley Arts and Cultural Alliance, as recommended by the Committee. Councilmember White seconded. Motion carried on a vote of 5-0.

Councilmember Dussler moved to hold action on the DMO funding proposal until such time a proper vision has been developed for Wimberley, to allow the Visitor's Center to resubmit its funding proposal, and to begin meetings among the two groups (WVTLA and Chamber of Commerce/Visitor's Center) to hopefully result in a positive outcome.

Chairman Palm said the Committee would need more time to come back with a vision.

After discussion of various items to include in a motion that would address denied funding requests, resolving differences among parties, and following Committee guidelines, Council reached clarification and simplification of intended motion language.

Councilmember Trapp moved to deny the funding proposals that were not recommended by the HOT Advisory Committee and the DMO proposal, which would require those proposals to be sent back to the Committee, and to hold a Council workshop on development of a vision for Wimberley as guidance for the Committee. Councilmember Barchfeld seconded. Motion carried on a vote of 5-0.

Mayor McCullough asked for a motion to call for the parties to work together ("play nice"). Councilmember White stated that his understanding of the DMO proposal to hire an executive director well-versed in advertising and the Chamber's goal to promote Wimberley "business-to-business." He said the DMO executive director could work in conjunction with the Chamber toward its stated goals, and share information to reach the goal of promoting lodging. He saw no reason to create a DMO or sell bonds that duplicates efforts that Cathy Moreman does well, but said the Visitor's Center could be funded by rent from the WVTLA director, with each entity left to focus on its own primary purposes.

Discussion addressed a joint Council/Committee workshop to talk about long-term vision development. Mayor McCullough asked for a motion to hold a joint workshop.

Councilmember Trapp moved to schedule a joint workshop of City Council and the HOT Advisory Committee to establish the beginnings of a vision for Wimberley's tourism. Councilmember White seconded. Motion carried on a vote of 4-1. Councilmember Fore voted against.

Mayor McCullough called for a recess at 8:34 p.m.

Mayor McCullough reconvened the meeting at 8:41 p.m.

B. Discuss and consider possible action on issues regarding the City of Wimberley Hotel Occupancy Tax rate. *(Place Three Councilmember Sally Trapp)*

Councilmember Trapp commended the HOT Advisory Committee for a fantastic job and recognized the emotions and divisiveness of this issue. She stated the lodging community has accepted the tax and collected approximately \$200,000, which she said is a ten-year balance

given the funding proposals received to date. She said at the current rate of spending there is no reason to keep collecting the tax or to increase it.

Councilmember Trapp moved to reduce the City of Wimberley Hotel Occupancy tax rate to zero percent (0%). Councilmember Fore seconded.

Councilmember Dussler expressed opposition to reducing the tax rate while considering various HOT tax issues. He said the HOT tax is building a pool of capital as intended to promote tourism and recognized Council's struggles with spending the revenue. He said there is no reason to needlessly penalize our efforts in building this pool while considering the best way to deploy capital. He analogized it to suspending the City's sales tax while working on the budget. He said any underlying agenda to kill the HOT tax is a different discussion and Council should have that discussion and vote on it.

Councilmember Trapp said her motion is just to adjust the rate and review it on an annual basis and right now there are excess funds. Councilmember Fore said the 0% rate was recommended by the Committee and \$200,000 is a sizeable amount of money. He saw no sense in building up a big pool of money and keep collecting at the current rate.

Councilmember Barchfeld spoke on having a reserve or emergency fund in case of another disaster like the recent flood events. He felt that the 5% rate is a good number and shows we can raise a lot of money, as well as be better able to track short-term rentals. He did not favor taking the rate down to 0% and offered 2.5% as a possible option.

Councilmember White said he is extremely torn as he opposed the HOT tax from the beginning. He stated his understanding that the HOT tax program would be given two years to work and was willing to go down to 2% tax rate.

Mayor McCullough asked Council to reflect on everything heard tonight and favored leaving the tax rate at 5%. He recalled how merchants were worried about lack of business after the flood and the need to promote that Wimberley is open for business. He said as more funding request applications are received, the \$200,000 could be absorbed quickly, and did not feel there are significant differences in tax rates of 5%, 4%, or 3%. He favored leaving the tax rate at 5% as funding may be needed for a possible future building addition or for events, particularly when only one quarter's funding period of proposals have been received, and no money has been allocated to date. Mayor McCullough felt it short-sighted and too soon to reduce the rate and sends the wrong signal. Councilmember White agreed and asked that action be postponed pending attempts to resolve issues. Councilmember Trapp pointed to the discord that \$200,000 has caused among groups that cannot get along. She said \$200,000 represents ten years of funds and being flexible with the rate does not kill the HOT tax.

Mayor McCullough said action to reduce the rate sends a signal that Council will kill the HOT tax. Councilmember Fore stressed Council is not doing away with the HOT tax, but adjusting the rate as recommended by the Committee. He said the rate can be changed later. Councilmember Barchfeld recalled that Chair Tomas Palm recommended reducing the rate to 0% and clarification was provided by City Administrator Ferguson that the Committee did not

take a public vote on such action. He advised of one Committee member, who is not present at tonight's meeting, whose position was not in favor of reducing the tax rate. With no formal public action taken, City Administrator Ferguson cautioned that the Committee cannot poll its members outside of a public meeting without violating the Open Meetings Act.

Mayor McCullough questioned the urgency of reducing the rate, given there are upcoming efforts to create a vision.

Councilmember Trapp questioned why there is a tax without a purpose and after one year we are still arguing over how to spend this money. She stated although the guest pays the tax, the lodging owner's bottom line is affected, and said she has statistics showing that lodging is down twenty percent. She asked why we are being greedy when we have \$200,000.

Mayor McCullough stated the \$200,000 collected to date exceeded expectations. Councilmember Trapp questioned who would administer funds in a disaster situation and without such a vision, purpose or marketing plan, we are just taxing.

Councilmember Barchfeld favored keeping the rate as-is and revisiting this issue in 90 days to allow for a cooling-off period after tonight's meeting.

Councilmember Fore agreed with Councilmember Barchfeld's comments to wait 90 days before taking action, as only the first round of funding request applications have been received. Chairman Palm stated the Committee will be looking at three newly submitted proposals at its October 11th meeting.

Discussion addressed whether or not to postpone action, the initial two-year trial period for the HOT tax program, and concerns that Hays County could enact a HOT tax at the maximum rate. Councilmember Barchfeld suggested that the HOT Advisory Committee should be allowed to take a formal vote on this issue before Council takes action.

HOT Advisory Committee member Dan Sturdivant recalled then fellow Committee member Bob Flocke's support for holding off on spending any HOT revenues until \$250,000 has been collected, which was not included in Chairman Palm's statements. Chairman Palm said he does not remember Mr. Flocke's statement or a specific amount mentioned. City Administrator Ferguson recalled that Committee discussion favored having a fund balance for emergencies, as opposed to spending money as it comes in.

Mayor McCullough called for a vote on Councilmember Trapp's motion to reduce the Hotel Occupancy tax rate to 0%, which was seconded by Councilmember Fore, as follows: Councilmember White, nay; Councilmember Barchfeld, nay; Councilmember Trapp, aye; Councilmember Fore, nay; and Councilmember Dussler, nay. Motion failed on a vote of 1-4.

- C. Discuss and consider possible action regarding plans for the 2016 Guy Fawkes Festival on November 5, 2016. (*City Administrator*)

Councilmember Trapp recused herself from the meeting at this time.

City Administrator Ferguson reported on event plans, including date/time, outdoor music, toilet facilities, and security. He advised that this year will mark the 17th year that Mr. Hall has hosted this festival and noted that there have been noise complaints from neighborhood residents in recent years. He stated that outdoor concerts are prohibited, unless approved by Council.

Applicant Steven Hall said the event brings in visitors, who use lodging facilities and bring revenue to Wimberley.

Merry Gibson of 310 Mill Race Lane opposed the event as inappropriate for her one-lane street, cited lack of parking, nature of event goes as anti-government/establishment, and said there are more appropriate locations for an event attended by hundreds of people.

Mayor McCullough added that for the past two years residents have complained about problems with the event being loud, which included calls to local law enforcement.

Jean Ann Cope of 109 Mill Race Lane recalled past festival experiences with loud music late at night (past 10 p.m.), lack of parking causing people to walk up and down Mill Race Lane all night, lack of restroom facilities causing people to use her property, and having her gate opened by an event goer who let her dogs out. She said the event included fireworks, which were not allowed, and the location is inappropriate, as it is a small piece of property that is not owned by Mr. Hall. She questioned whether event insurance has been secured and if the subject property's (115 Mill Race Lane) owner allows such an event in the property's lease. Ms. Cope said the event impacts neighbors every year and felt that Council should not approve the event as the location is inappropriate, tents were set up all over the property, and restroom facilities did not exist.

Discussion addressed the number of people in attendance last year (75 people per Mr. Hall), consideration of alternate locations with adequate facilities, provision of porta-potties, problems with previous years' festivals, need for Council approval for outdoor music events, and complaints from the last two years related to noise and public urination. Mr. Hall said he would consider moving the festival to an alternate location next year and asked for Council's approval of this festival as the last one to be held at its current location. Mr. Hall offered to shorten the length of the event to address concerns about late-night noise and said that there is plenty of public parking for visitors. City Administrator Ferguson said there have been past issues with guests parking at the Wimberley Community Center and climbing over the fence to access the festival.

Councilmember White moved to deny the plans for the 2016 Guy Fawkes Festival on November 5, 2016. Councilmember Fore seconded. Motion carried on a vote of 4-0.

D. Discuss and consider possible action awarding a contract for wastewater impact fee preparation services. (*City Administrator*)

Councilmember Trapp returned to the meeting at this time.

After reviewing a total of two Requests for Qualifications (RFQ) responses, City Administrator Ferguson recommended awarding a contract to HDR, Inc. at a cost of \$7,194.00. Councilmember Fore asked if Council could be included in the vetting process before Council takes action and requested such inclusion in future review processes. City Administrator Ferguson replied affirmatively. Councilmember Trapp stated her understanding that Council would participate in the vetting process. City Administrator Ferguson said respondents could be brought before Council for interviews or a subcommittee could be formed to review responses. Councilmember Fore stated a Council member could be selected to help staff with the review process and City Administrator Ferguson welcomed Council's participation. Discussion favored Council's participation in reviewing RFQ responses and clarified scope of services to be provided.

Councilmember Trapp moved to continue action on Agenda Items 4D and 4E until Council's October 20, 2016 meeting to allow Councilmember Fore to participate in vetting respondents to the City's RFQ issued for wastewater impact fee preparation services and to allow Mayor McCullough to participate in vetting respondents to the City's RFQ for project management (see next Agenda Item 4E). Councilmember White seconded. Motion carried on a vote of 5-0.

- E. Discuss and consider possible action awarding a contract for project management relating to the construction of the Central Wimberley Wastewater System. (*City Administrator*)

See action taken on previous Agenda Item 4D.

- F. Discuss and consider possible action on issues stemming from a second meeting between representatives of the City of Wimberley and Aqua Texas relating to the provision of wastewater to central Wimberley. (*Place Three Councilmember Sally Trapp*)

Councilmember Trapp reported that the second Aqua Texas meeting focused on the retail option and said Aqua Texas President Bob Laughman will be speaking at Council's meeting on October 20, 2016.

Discussion addressed allowing Mr. Laughman the opportunity to speak directly to Council and the public and effect of exercising the retail option on the project timeframe. City Administrator Ferguson stated that legal counsels for both the City and Aqua Texas have been authorized to communicate with each other. Discussion established that exercising the Aqua Texas retail option would kill the City's TWDB loan and U.S. EDA grant, as money cannot be loaned or granted, unless for a public system. Discussion addressed money already spent on system planning and design and the need to know options before spending more on construction. Councilmember Dussler was concerned about giving up loan and grant money and questioned where money would come from for a collection system without such funding.

Councilmember Trapp moved to invite Aqua Texas's Bob Laughman to speak at Council's meeting on October 20, 2016. Councilmember Barchfeld seconded. Motion carried on a vote of 5-0.

- G. Discuss and consider possible action regarding a proposal to waive building permit fees for the construction of residential and commercial rainwater collection systems. (*Place Four Councilmember Gary Barchfeld*)

Councilmember Barchfeld spoke of the Council's long-term goal to look at alternative water sources. He said water is a critical issue and favored a pro-active approach for rainwater collection. He suggested waiving the building permit fees for those wishing to install a rainwater collection system for their home or business, with possible future consideration of similar incentives for other types of environmentally responsible building options such as solar energy.

Discussion addressed nominal budgetary impact of the proposed fee waiver, typical rainwater collection system cost and average fee amount, and limited options for incentives.

Councilmember Trapp moved to approve waiving building permit fees for the construction of residential and commercial rainwater collection systems. Councilmember Dussler seconded. Motion carried on a vote of 5-0.

- H. Discuss and consider possible action regarding the proposed amendment of the Wimberley City Council Governance Policy to include requirements relating to the change of City Council meeting dates, times and place. (*Place Two Councilmember Craig Fore*)

Councilmember Fore referenced a recent time change for a scheduled meeting requested by Mayor McCullough that conflicted with other Council members' schedules. He spoke of the need to confer with everyone before such changes are made. Mayor McCullough apologized for changing the meeting time and City Administrator Ferguson recommended amending the policy to notify all Council members of any proposed changes in meeting dates, times, or places, prior to the meeting being re-posted.

Councilmember Fore moved to proceed with amending Council's Governance Policy, as recommended by City Administrator Ferguson. Councilmember Trapp seconded. Motion carried on a vote of 5-0.

- I. Discuss and consider possible action regarding a proposal to cancel the December 15, 2016 Regular City Council meeting. (*Place Three Councilmember Sally Trapp*)

Councilmember Trapp favored cancelling the December 15th meeting as a needed break for everyone (Council, staff, and the public) to better enjoy the holiday season. Mayor McCullough said he was fine with holding the meeting. Councilmember Barchfeld agreed with Councilmember Trapp and City Administrator Ferguson noted that staff concerns are not a reason for the request.

Councilmember Trapp moved to cancel Council's meeting on December 15, 2016. Councilmember Barchfeld seconded. Motion carried on a vote of 5-0.

- J. Discuss and consider possible action regarding a request from the County of Hays for the City of Wimberley to waive a portion of the City's building permit fees for the planned construction of the Hays County Precinct Three offices at 200 Stillwater. (*City Administrator*)

City Administrator Ferguson highlighted project plans and stated that in the past Council has waived the City's portion of the building permit fees on at least one previous County building project. He noted that should Council desire to grant the fee waiver request, the motion should state that waiving the fees serves a valid municipal purpose.

Councilmember White moved to approve waiving a portion of the City's building permit fees for the planned construction of the Hays County Precinct Three offices at 200 Stillwater and such waiver serves a valid municipal purpose. Councilmember Fore seconded. Motion carried on a vote of 5-0.

- K. Discuss and consider possible action authorizing the city administrator to enter into negotiations regarding the possible development of a license agreement relating to use of a City-owned 0.158 acre tract of property located at the intersection of Ranch Road 12 and FM 2325. (*City Administrator*)

City Administrator Ferguson stated the subject property is currently vacant and Ace Hardware owners have expressed interest in beautifying the small triangular piece of property. He said the license agreement would be similar to the City's agreement with TxDOT to maintain the rest area on Ranch Road 12. He noted Council authorization is needed in order to enter into negotiations regarding agreement development.

Discussion addressed possible terms to include in the license agreement (such as authorizing Christmas trees), and willingness of Ace Hardware to donate time and effort to beautify the space.

Councilmember Fore said that Ace Hardware owners are interested in purchasing the City-owned property and City Administrator Ferguson advised there is a public process for disposition of public property and recommended not selling City property, as it is in a location critical to transportation planning. .

Councilmember White moved to authorize City Administrator to contact Ace Hardware owner Christy Degenhart regarding possible development of a license agreement.

Councilmember Barchfeld moved to authorize City Administrator Ferguson to enter into negotiations with Ace Hardware owner Christy Degenhart to see what she would like to do with the property.

After discussion of both motions, Councilmember Barchfeld withdrew his motion.

Councilmember White moved to authorize the city administrator to contact Christy Degenhart about possible development of a license agreement.

Councilmember Trapp asked if the motion could include discussion of a possible sale and City Administrator Ferguson reminded there is a state-mandated legal process that must be followed to pursue sale of public property.

Councilmember Barchfeld seconded Councilmember White's motion. Motion carried on a vote of 5-0.

Addendum to Agenda

4. Discussion and Possible Action

- L. Discuss and consider possible action regarding a proposed \$750 settlement fee for the early cancellation of the lease for the Oak Drive restroom trailer. (*City Administrator*)

City Administrator Ferguson recommended approval of the settlement fee for early cancellation of the Oak Drive restroom trailer lease.

Councilmember Barchfeld moved to approve payment of the \$750 settlement fee, as presented. Councilmember White seconded. Motion carried on a vote of 5-0.

- M. Discuss and consider possible action regarding a proposed professional services agreement for financial services with *Lori I. Graham, CPA, P.C.* (*City Administrator*)

City Administrator Ferguson recommended approval of the proposed agreement, highlighted services provided, and noted the renewal agreement calls for an increase in monthly fees from \$1,200 to \$1,350.

Councilmember Trapp moved to approve the agreement, as presented. Councilmember Barchfeld seconded. Motion carried on a vote of 5-0.

5. City Council Reports

- Announcements
- Future Agenda Items

Hearing no announcements or future agenda items, Mayor McCullough called the meeting adjourned.

Adjournment: Council meeting adjourned at 10:10 p.m.

Recorded by:



Cara McPartland

These minutes approved on the 20th of October, 2016.



APPROVED:

A handwritten signature in black ink, appearing to read "Mac McCullough".

Mac McCullough, Mayor