

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF JANUARY 20, 2010

A special meeting of the City Council of the City of Castle Hills was held at 6:00 p.m. on Wednesday, January 20, 2010, at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas, 78213.

I. OPENING

- A. QUORUM - Present and composing a quorum of the City Council were Mayor Marcy Harper, Douglas Gregory, Steve McGuire, and Marcella Huff.

Staff present was Interim City Manager Rita Hoyl and City Secretary Linda Gill.

II. ANNOUNCEMENTS - None

III. REPORTS - None

IV. NEW BUSINESS

- A. A MEETING WITH FINANCIAL ADVISOR TO DISCUSS OPTIONS FOR MAJOR STREET IMPROVEMENTS AND TO PLAN THE APPROACH FOR ADDRESSING THOSE STREET IMPROVEMENT NEEDS.

Anne Burger, Managing Director of First Southwest presented council members with a market update and a schedule of actions necessary to place a municipal bond on the ballot in the upcoming May 8, 2010 city election. She indicated with graphs the Bond Buyer's Index of 20 municipal bonds, currently at 4.31%, which is .37% higher than the 22-year low. She said that interest rates have been very volatile since 2003, especially last year when financial markets experienced significant stress. Ms. Burger explained that shorter term bond issues are benefitting from the yield curve becoming steeper over the last three years.

Councilman McGuire commented that the questions needing answers were what the actual cost to residents will be as far as their property taxes, what the duration of the bonds will be, and what the cost will be per million. Ms. Burger said that all the models are built if City Council gives her a number and a project.

Councilman McGuire stressed that he was not on board with the bond issue and would never be for a bond not voted on by the populace. Council member Huff said that City Council never planned to do a bond without an election. Mayor Harper said that the city council always considered putting the bond issue out for election, and since Mr. McGuire was not privy to the bond information in the past; they were holding this special meeting.

Council member Huff referred to the list of projects and priorities that was done last time the bond issue was considered. Ms. Burger discussed several options to consider regarding a bond issue, using amounts of \$7,000,000 to \$10,000,000 at 15 to 20 years.

Councilman Gregory suggested the option of putting the dollars in the Street Maintenance Fund toward the bond. He remarked that the public wants details and what it is going to cost the taxpayers. He recalled that street repair in the city was estimated at \$33,000,000.00 two years ago. He cautioned that the present City Council cannot bind future City Councils to this issue. He said that they have to decide if they want to do it right now.

Ms. Burger advised the council to look at the bigger plan. She said that the streets repaired may not last 20 years, and the council needs to devise a strategy to keep the new streets in good condition and look at the plan comprehensively.

Discussion turned to consideration of calling the bond election in May. It was generally agreed that the timeline would be very tight to do an election in May. Council member Huff mentioned the town hall meetings they needed to schedule. Mayor Harper recommended waiting for the November election. It would give them more time, and she did not want the bond election to be an issue for the candidates in May.

Ms. Burger suggested that, in the meantime, the council should form a committee to get the word out to the people and have the engineering company look at the cost of repairs and update them. She noted that they already have a list of projects and priorities. They can then decide on the amount of the bond.

Ms. Burger stressed that it is most important for them to do these things for the November election, which has to be called in September. She advised them to start the process in May, when property valuations are in. Then the size, structure, and tax impact can be finalized.

V. ADJOURNMENT

Mayor Harper adjourned the meeting at 7:20 p.m.

These Minutes were approved on the 9th day of February, 2010.

APPROVED:

Marcy Harper, Mayor

ATTEST

Linda Gill, City Secretary