

CITY OF CASTLE HILLS
SPECIAL CITY COUNCIL MEETING
MINUTES OF OCTOBER 7, 2010

A special town hall meeting of the City Council of the City of Castle Hills was held at 6:30 p.m. on Thursday, October 7, 2010, at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas, 78213.

The attendance roster included Joan Buerschinger, Luis Jimenez, L. David Givler, Bob Anderson, Robert Tijerina, Carol Land, Pat Butler, Pamala Farris, Bill Martin, William Beuhler, Willa Jo Beuhler, Bill Schluter, and Randall Land.

I. OPENING

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

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

II. ANNOUNCEMENTS - None

III. REPORTS - None

IV. TOWN HALL PUBLIC HEARING

PRESENTATION, PUBLIC HEARING AND COMMENT ON THE PROPOSED \$12,500,000 BOND ELECTION SCHEDULED NOVEMBER 2, 2010.

Mayor Harper called the meeting to order and introduced L. David Givler, City Engineer, who gave a Power Point presentation that outlined the street and drainage improvements to be funded with a \$12,500,000 bond issue. Mr. Givler explained that the slide show was a quick overview of the project and offered to answer any questions.

Council members questioned the drainage projects included in the improvements and recalled discussing only Banyon and Carolwood. Mr. Givler said that, in a previous bond workshop, the council asked him to get down to a lower number than they started with. He said that the drainage projects were always there in one of the columns included in the lower number because he had no directive to move them. He said there are so many details in the project that they did not talk about each

one. Mr. Givler confirmed for Councilman McGuire that it doesn't make sense to repair a road and not take care of the drainage.

Council member Gregory questioned why the city maintenance crew could not take care of the drainage problem at Peg Sue. Mr. Givler explained that the area had to be re-graded; and a breach in the channel had to be repaired to prevent standing water and the overgrowth of weeds, which are breeding areas for mosquitoes.

Council member Huff worried, if there are these surprises in the plans, what surprises they would find during the project. Councilman McGuire recounted that, in the last two workshops, when they were trying to get the project down from \$25,000,000 to the \$12,500,000, Banyon and Carolwood was discussed because of the amount. He remembered that the other drainage projects were in the same column, and the council was looking at columns. He said they did not go down the list, street by street, to get to the lower number.

In response to council member Gregory, Mr. Givler said that construction costs are down, and this project could cost as much as 30-40% less than they had figured in 2007. He went over the schematics of doing the project, explaining that unforeseen variables are figured in the cost, and that contractors know they are working with a budget. He said that construction, typically, has a one-year warranty. Mr. Givler said that his firm will manage the project to ensure that it is done according to the specifications and plans.

Mayor Harper invited citizens to comment on the bond issue.

William Beuhler of 108 Prinz Drive said that his street was not one of the streets on the project list. He said that he assumes they will hear about financing, but he did an extension of 20 years and figured that his tax bill will increase by \$8,600 over that period of time. He said, just from a mathematical standpoint, he finds it difficult to justify that expenditure when it is not going to increase the value of his home, as such. He said that he does own a house on Cas Hills, which is on the project list, and asked when that street will be started. Mr. Givler said that scheduling at the street level has not been done. He added that the utility companies will have to update and relocate some utilities before the work can be done.

Bill Martin of 113 Cobblestone Court referred to information he gave the council about the Metropolitan Planning Organization (MPO). He said that he thought they should look into what the MPO can do to help with this road construction. He offered to help them. He asked if bids have been received on the project. Mr. Givler explained that they cannot ask for bids until there is a project. He said the costs have been based on other projects that have been done recently.

Pamala Farris of 209 Herwick remarked that she really liked the slide presentation, that it had a lot of information. She proposed that it be put on the city's website. Ms. Hoyle said that she would talk to the webmaster about doing that. Ms. Farris inquired about the fees that are included in the project. Councilman Gregory said that he

financial advisor would discuss the bond costs. Mr. Givler said that the civil engineering, geotech engineering, and surveying will cost \$1,800,000.

Bill Schluter of 112 Lemonwood asked if the council thought they were really ready to put this before the electorate. He said it sounds like they still have questions about which streets, what they are doing, and where we are. He hoped those questions will all be ironed out before it comes to a vote. In answer to another question, Councilman Gregory said that churches will not be affected by the bond issue because they do not pay ad valorem taxes.

Randall Land of 106 Peg Sue asked if all the work would get done with this bond issue, and which work will not get done if money is running out? Councilman Gregory said that all the work will get done as long as there is money. Councilman Davis said the order of the work is not determined by the A, B, C, D, E, and F labels.

Luis Jimenez of 107 Atwater discussed construction on his street. He said the whole street needs to be reconstructed.

Glenn Hoffman of 211 Chattington Court expressed his concern about his alley's deterioration. He said it is the only access to his garage, and he doesn't see alleys on the bond project. Councilman Gregory said that the primary thrust of this bond is for the streets and severe drainage problems. He said that things have to be prioritized, and streets come first. He said alleys can possibly be repaired with the money in the Street Maintenance Fund.

Bob Anderson of 137 Lou Jon inquired about the cost of underwriting the bond. Anne Berger of First Southwest, the city's financial advisor said altogether the fees will come to \$160,000 to \$175,000. To answer Mr. Anderson's question about the interest rate, Ms. Berger showed a slide indicating the Bond Buyer's Index.

Mr. Anderson said there has been a 17% increase in property tax. He remarked that the bond will be an increase of 21.6 cents. He said the city tax will be 20% more than the City of San Antonio tax rate. He questioned why the \$900,000 in the Street Maintenance Fund has not been spent, which would have been good training for management and council. Mr. Anderson stated that the average person in Castle Hills will not benefit from the bond and businesses will not benefit.

Mayor Harper left the meeting at 8:01 p.m.

Councilman Gregory said that the delay in spending the Street Maintenance Fund has saved the city thousands, maybe millions in dollars.

William Beuhler approached the podium again to ask questions about how the bond will be offered. He asked if there will be one bond buyer or will it be offered to the general public. He said that information should be published. Ms. Berger said they have assumed a 5% interest rate for twenty years. She said the council has not made any decisions about how the bond will be sold. She explained that, in general, they

do a competitive bond sale. She said it will be a book entry bond, rather than physical. She said determining how the bond will be sold is done after the bond election. Ms. Berger said the only reason to call a bond early would be to refinance it at a lower interest rate. Ms. Berger briefly discussed municipal bond insurance.

Discussion ended with Mayor Protempore Huff announcing that the next town meeting will be held on October 26th.

V. ADJOURNMENT

Mayor Protempore Huff adjourned the meeting at 8:26 p.m.

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

APPROVED:

Marcy Harper, Mayor

ATTEST:

Linda Gill, City Secretary