

CITY OF CASTLE HILLS  
SPECIAL CITY COUNCIL MEETING  
MINUTES OF OCTOBER 26, 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 26, 2010, at the City of Castle Hills, 209 Lemonwood Drive, Castle Hills, Texas, 78213.

The attendance roster included J.D. Castrejana, Patsy Martin, Don Martin, Tim Howell, Pamala Farris, Patricia Cruz, Mary Talley, Max Talley, Vera Howard, Bill Schluter, Bill Cannon, Betty Chandler, Sam V. Smith, Marion Smith, Bernie Wright, Sandra Wright, Timothy Looney, Gertrude Sandler, Alex Sharlack, Dex Dextraze, Gaby Sharlack, Leonard Brieden, Jon Walsh, Joan Buerschinger, Leif Zarrs, William Beuhler, John Squire, LaVerne Japhet, Ken McFarland, Rick Weber, Terry Carter, Rhonda Currie, Connie Durze, C.B. Slabaugh, Pam Kittrell, Jim Poage, Robert Tijerina, and Javier Roman.

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 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.

Mayor Harper invited citizens who wanted to speak on the bond issue to come forward.

Terry Carter of 125 South Winston Lane said that, with the downturn in the economy, now is not a good time to add new taxes. She added that no one on her street, Winston Lane, is interested in repairing the street. She said that the culvert may need consideration, but she would like to leave the street as is.

Tim Howell of 115 Sunflower thanked City Council for all the hard work that went into putting the bond together. He wondered why such a large portion of the bond was put toward drainage. He asked if all avenues of financial help been looked at, such as the county and San Antonio's extension of San Pedro and Lockhill-Selma. He asked if they ever got an answer from San Antonio regarding the 165 acres of water in the retention pond. He inquired whether any of the city sales tax was going to be used. He said that he is totally against the Banyon project; and if it's taken out, the bond might pass.

Mr. Givler said the object was to identify the worse situations in the city, and Banyon is one of the worse the city has. He said that Banyon is now close to 21-27% of the whole project. He said the cost to do it now is \$2.7 million, but will go up later with inflation.

The mayor said that she had talked to Bexar County and San Antonio about financial help, but the city did not qualify because of the flood plain and other issues. She said San Antonio has put the Lockhill-Selma project on the back burner for seven to twelve years. She said that San Antonio has kept the drainage clean at Carolwood and Lockhill-Selma, and that is about all they can do. The water flows into the city eastbound, and the city's water flows into San Antonio.

Bill Schluter of 112 Lemonwood expressed his concern about the culvert under Banyon and whether any other engineering firm has looked at the drainage and determined that this is what the city needs.

Mr. Givler answered that the street is deteriorating and there is flooding. He said they have tried to look at getting as much water underground with the least amount of expense.

When Mr. Schluter mentioned the \$1.8 million in Givler's engineering fees, Mr. Givler explained that the \$1.8 million was not going to his firm alone. He said there are geotech fees, survey fees, and other fees for those things which his firm does not do.

Bernie Wright of 120 North Manton spoke of the drainage problems in his area. He said underground drainage is very expensive and dangerous because people get swept away. He confirmed with Mr. Givler that the one-year warranty period will begin as a segment of work is completed. In response to other questions, Mr. Givler explained that all streets in the city were looked at, and doing improvements to them all would have cost \$30,000,000. The council thought that amount was too large. He said the streets were chosen which appeared to be the most hazardous. Mr. Wright said some of the streets chosen look a lot better than his street.

Leif Zarrs of 119 Moss remarked that he did not think it was the right time to pass this bond. The economy in Texas is a little better, but not much. He said he would like to see a cost breakdown, street by street, drainage by drainage.

Vera Howard of 14 West Oaks Court questioned why Mr. Givler was the only engineer who worked on the project. The mayor said Mr. Givler is the city engineer. Ms. Howard explained that, where she lives, the homeowners have to pay for their streets. The city will not come in and fix them. She said now the homeowners will have to pay for the bond too. She also noted that the median number of years for the street repairs to last is 16 years. She commented that it is a little scary, since the bond is for 20 years. She asked what happens after that. Does the city have to pass another bond?

Councilman Smiley-Kaliff indicated the city has no right to do anything to private streets. He said that, if the street is turned over to the city, then the city will be responsible for it.

John Strieb of 157 Cas Hills Drive said that he was on the Judson Schoolboard for ten years, and they went through four bond elections. He said they won the first one, but lost the next two and got beaten up pretty bad. He said he knows how hard it is to come up with a package that the public will buy into. He proposed that, if the bond issue doesn't pass, they may want to consider propositions and break the project down between streets and drainage. That way the voters can decide which they think is more important.

Ann Berger of First Southwest said that issuing the bond for the full \$12,500,000 will be decided after the bond passes. She said that right now reinvestment rates on the short end are so low that they would not have a problem with positive arbitrage. She also addressed Ms. Howard's worry about the bond term being longer than the life of the streets. She said they got with the engineer and took a weighted average to make the calculation that on an aggregate basis the average life of the bond issue would be equal to the average life of the repairs. She added that the council wanted to target the \$900,000 for those repairs that have the shortest useful life, if the bond passes. Ms. Burger stressed the importance of budgeting maintenance on the streets so that they will last the lifetime outlined by the engineer.

C.B. Slabaugh of 202 Glentower confirmed with the council that there was no city tax freeze for people over 65. Ms. Berger answered his second question by saying they have assumed a 5% interest rate on the bond because the council wanted to be conservative. She stated that, if the bond sold today, they could probably get closer to 4%. In response to other questions, the mayor said that the city has never had a bond. Council member McGuire said that city taxes will go up about 40% if the bond passes. He said the average home in Castle Hills is about \$200,000, and the taxes on that amount will go up about \$400 per year. Mr. Givler said that he expects to get around 10-12 bidders when the project is put out for bid.

Jim Poage of 117 Fox Hall Lane read a list of facts that he put together. He said 20 of the 26 streets to be repaired are in one 2x10 block area, and 3 of 4 street repairs

listed have a life span of 4-12 years. He said that, if the bond passes, Castle Hills will have the highest tax rate of 22 cities in this area, and the debt rate will be higher than San Antonio's at \$321 per individual.

Councilman Gregory commented on how the street repair list was developed. He said it is a comprehensive and structured plan, and we can pay now or wait until later when costs are higher.

Robert Tijerina of 108 Sheffield also spoke for 106 Sheffield, which his brother owns. He applauded the council for making a tough decision. He said interest rates are down, costs are down, and he has five votes for the bond.

Ken McFarland of 104 Martha Glenn Court spoke briefly concerning the increased tax rate.

Rhonda Currie of 611 Antler said she is cynical of the government and thinks it should be taking care of citizens. She said that she lives her life staying out of debt, but realizes there is a need. She said that she encourages the council to be a good steward of the money if the bond passes.

Dex Dextraze of 203 Glentower Drive said that the 3 streets south of Glentower and the 5 streets north of Glentower are getting repaired, but Glentower itself is not. He said that does not make sense to him. He asked if the streets on the brochure will change. Mr. Givler said the streets will stay as listed.

Councilman Davis said it could be that Glentower is one street that the street committee thought could be handled with maintenance and not major construction.

Leif Zarrs again came forward to say that he thinks the proposed tax rate is silly.

Terry Carter said she didn't understand why Castle Lane, north of Winston, is on the list. Nobody ever drives there.

Mayor Harper closed the public hearing.

## V. EXECUTIVE SESSION

A. THE CITY COUNCIL SHALL CONVENE IN A CLOSED SESSION TO DELIBERATE THE APPOINTMENT, EMPLOYMENT AND DUTIES OF A CITY MANAGER AS AUTHORIZED BY SECTION 551.074 OF THE TEXAS GOVERNMENT CODE.

At 8:20 p.m. City Council retired to Executive Session.

## VI. RECONVENE INTO OPEN SESSION

At 9:25 City Council reconvened. Mayor Protempore Huff indicated that she would be residing over the meeting on behalf of Mayor Harper, who had to leave early.

VII. NEW BUSINESS

A. CONSIDER AND ACT UPON APPOINTMENT OF A CITY MANAGER.

**Motion:** Councilman Smiley-Kaliff moved to authorize the mayor pro-tem in unison with the city attorney to make an offer to a finalist, one of the three that was chosen as a semi-finalist, posthaste. Councilman McGuire seconded the motion. The motion passed unanimously.

V. ADJOURNMENT

Mayor Protempore Huff, stating there was no further business before the council, adjourned the meeting at 9:25 p.m.

These Minutes were approved on the 9<sup>th</sup> day of November, 2010.

APPROVED:

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Marcy Harper, Mayor

ATTEST:

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Linda Gill, City Secretary