The Hutto City Council met in a regular session on Thursday, August 4, 2016, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Gaul called the session to order at 7:00p.m.

ROLL CALL

Members of the City Council that were present were Mayor Doug Gaul, Mayor Pro-tem Michael J. Smith, Councilmember Anne Cano, Councilmember Tom Hines, Councilmember Nathan Killough, Councilmember Lucio Valdez, and Councilmember Bettina Jordan.

Members of staff that were present were Micah Grau, Interim City Manager, Charlie Crossfield, City Attorney, Helen Ramirez, Development Services Director, Earl Morrison, Chief of Police, Melanie Melancon, Finance Director, Randy Barker, General Services Director, Scot Stomsness, Public Works Director, Amy McGlothlin, Human Resources Director, and Seth Gipson, City Secretary.

INVOCATION

The invocation was given by Chief of Police, Earl Morrison.

PLEDGE OF ALLEGIANCE

Mayor Gaul led the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENT

5A. Remarks from visitors

There were no remarks from visitors.

PUBLIC HEARINGS

6A. Open and conduct the first public hearing regarding the proposed annexation of the Malone Tract, located on 63.46 acres more or less, of land located on CR 136, southwest of the intersection of FM 1660 South and CR 163.

Mayor Gaul opened the public hearing at 7:03p.m.
There being no public comment the public hearing was closed at 7:03 p.m.

CONSENT AGENDA ITEMS:

All items listed on the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Council member in which event, the item will be removed from the consent agenda and considered as a regular agenda item.

7A. Consideration and possible action on a resolution concerning the proposed Riverwalk Phase 3 Section 4 Final Plat, 18.02 acres, more or less, of land, 83 single family lots, located at Comal Run and Garcitas Creek Lane.

7B. Consideration and possible action on a resolution concerning the proposed Riverwalk Phase 3 Section 5 Final Plat, 20.77 acres, more or less, of land, 83 single family lots, located at Garcitas Creek Lane and Armano Bayou Way.

7C. Consideration and possible action on the meeting minutes for the June 16, 2016 City Council Regular Meeting and the June 17-18, 2016 City Council Annual Work Session.

7D. Consideration and possible action on a resolution concerning an Interlocal Agreement with Hutto Independent School District for the construction of fiber optics lines under the Riverwalk Bridge.

7E. Consideration and possible action on the second and final reading of an ordinance continuing Chapter 14 Offenses and Additional Provisions, Division 2 Curfew, of the City of Hutto Code of Ordinances regarding juvenile curfew regulations.

7F. Consideration and possible action on the second and final reading of an ordinance concerning the adoption of the Hutto Economic Development Corporation Fiscal Year 2016-17 Budget.

MOTION: Councilmember Tom Hines moved to approve items 7A-7F on the consent agenda as presented. Councilmember Nathan Killough seconded the motion.

VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Nathan Killough
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: None
Abstain: None
Absent: None

ACTION: The motion carried with 7 ayes and 0 nays.

August 4, 2016 – City Council Meeting Minutes
ORDINANCES

8A. Consideration and possible action on the first reading of an ordinance adopting the Downtown Façade Improvement Grant Program.

Helen Ramirez, Development Services Director, gave the staff presentation. At the meeting on May 24, 2016, the Historic Preservation Commission voted to recommend approval of three proposed financial incentives for the Historic District. On June 2, 2016, the proposed incentives were presented to City Council for final approval. At that meeting, the Council voted to approve the proposed amendment to the Tax Rebate Program and the proposed Historic Preservation Tax Freeze Program. However, Council noted some questions regarding the proposed Façade Improvement Grant Program and voted to table the proposal pending more information.

Since that time, staff has prepared additional guidelines for the Façade Improvement Grant Program, which we hope will address the Council’s concerns. Changes to the proposed program were presented to the Historic Preservation Commission on June 28th and include amending the review committee to include a member of the Historic Preservation Commission.

The program will continue to be structured as a 50/50 matching grant for building improvements that are visible from a public street. This incentive would also continue to be available to all properties located within the Historic District, including both commercial and residential properties. Eligible façade improvement expenses would include major façade restoration, such as repointing brick or restoring original wood windows, as well as fresh paint and signage.

Lastly, staff is proposing to implement an application deadline, which will allow the review committee to more equitably evaluate the grant requests when making decisions regarding how the funds will be distributed. Decisions about how funds will be allocated will be based primarily on the greatest overall need and/or urgency of a proposed project. Other factors that will be considered in the decision making process include whether the property is contributing structure, whether it is occupied by the owner, whether there are any outstanding code violations, and whether the applicant is currently receiving any other City initiated financial incentives.

If approved, the proposed façade improvement grant program would be a three-year pilot program, which may either be renewed or discontinued at the end of three years. The Historic Preservation Committee recommended that funds be increased on an annual basis, beginning with $10,000, with an increase to $12,500 the second year and $15,000 the third year. The Commission also reviewed the possibility of creating a Mega project or larger project that would be allocated once a year.

MOTION: Mayor Pro-tem Michael Smith moved to approve the first reading of an ordinance adopting the Downtown Façade Improvement Grant Program. Councilmember Anne Cano seconded the motion.

VOTE: Ayes: Mayor Doug Gaul

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Mayor Pro-tem Michael Smith  
Councilmember Anne Cano  
Councilmember Tom Hines  
Councilmember Nathan Killough  
Councilmember Lucio Valdez  
Councilmember Bettina Jordan

Nays:  None  
Abstain:  None  
Absent:  None

**ACTION:** The motion carried with 7 ayes and 0 nays.

8B. Consideration and possible action on an Ordinance Authorizing the Issuance of City of Hutto, Texas Limited Tax Refunding Bonds, Series 2016; authorizing the levy of an ad valorem tax in support of the bonds; approving an official statement, a paying agent/registrar agreement, a purchase agreement and an escrow agreement; establishing procedures for selling and delivery of the bonds; and authorizing other matters relating to the bonds.

Melanie Melancon, Finance Director, made the staff presentation. The City has an opportunity to refund a portion of existing debt at a lower interest rate in order to reduce future debt service payments.

Dan Weggmiller, with Specialized Public Finance, explained the refinancing options and the negotiated sale process.

**MOTION:** Councilmember Anne Cano moved to approve the ordinance authorizing the Issuance of City of Hutto, Texas Limited Tax Refunding Bonds, Series 2016; authorizing the levy of an ad valorem tax in support of the bonds; approving an official statement, a paying agent/registrar agreement, a purchase agreement and an escrow agreement; establishing procedures for selling and delivery of the bonds; and authorizing other matters relating to the bonds. Councilmember Tom Hines seconded the motion.

**VOTE:**  
Ayes:  Mayor Doug Gaul  
Mayor Pro-tem Michael Smith  
Councilmember Anne Cano  
Councilmember Tom Hines  
Councilmember Nathan Killough  
Councilmember Lucio Valdez  
Councilmember Bettina Jordan  

Nays:  None  
Abstain:  None  
Absent:  None

**ACTION:** The motion carried with 7 ayes and 0 nays.

RESOLUTIONS
9A. Consideration and possible action on a resolution concerning a contract for Engineering Services with DCS Engineering, LLC for design of the Front Street Waterline Replacement.

Emily Truman, City Engineer, made the staff presentation. The Front Street Waterline Replacement project is a 2016 CIP design project that will install approximately 8,800ft of waterline along US 79 and Front Street to replace an existing 8” water line. The new waterline will be designed and constructed to meet future water demands as per the City’s 2016 Water Master Plan. The design will be performed with the 2016 CIP budget and the construction will be part of the upcoming 2017-2021 CIP budget. The project is expected to bid for construction in spring of next year.

A Request for Qualifications for design services was advertised in April 2016 and eight (8) Statement of Qualifications (SOQ) were received on April 22, 2016. The SOQs were scored by an evaluation committee consisting of representatives from Development Services and Public Works Department. The SOQ rankings are included with this item. DCS Engineering, LLC was ranked highest. DCS Engineering, LLC references were contacted and all were satisfactory.

MOTION: Councilmember Anne Cano moved to approve the resolution concerning a contract for Engineering Services with DCS Engineering, LLC for design of the Front Street Waterline Replacement. Mayor Pro-tem Michael Smith seconded the motion.

VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Nathan Killough
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: None
Abstain: None
Absent: None

ACTION: The motion carried with 7 ayes and 0 nays.

9B. Consideration and possible action on a resolution adopting the Fiscal Year 2017-2021 Capital Improvements Plan.

This item was pulled from the agenda.

9C. Consideration and possible action on a resolution authorizing the City to engage the firm of Brockway, Gersbach, Franklin and Niemeier, PC for the City’s independent financial audit for the fiscal year ending September 30, 2016.

Melanie Hudson, Finance Director, made the staff presentation. City Charter requires the engagement of an outside Certified Public Accountant to audit the City’s financial
information. The City has used the firm Brockway, Gersbach, Franklin and Niemeier, PC from Temple, TX, since 2006.

The firm has also prepared the City's Comprehensive Annual Financial Report (CAFR) during this time, helping the City earn the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association since 2007.

**MOTION:** Councilmember Tom Hines moved to approve the resolution authorizing the City to engage the firm of Brockway, Gersbach, Franklin and Niemeier, PC for the City's independent financial audit for the fiscal year ending September 30, 2016. Councilmember Anne Cano seconded the motion.

**VOTE:**

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Mayor Doug Gaul</th>
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<tr>
<td></td>
<td>Mayor Pro-tem Michael Smith</td>
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<td>Councilmember Anne Cano</td>
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<td>Councilmember Tom Hines</td>
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<td>Councilmember Nathan Killough</td>
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<td>Councilmember Lucio Valdez</td>
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<td></td>
<td>Councilmember Bettina Jordan</td>
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<tr>
<td>Nays:</td>
<td>None</td>
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<tr>
<td>Abstain:</td>
<td>None</td>
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<tr>
<td>Absent:</td>
<td>None</td>
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</table>

**ACTION:** The motion carried with 7 ayes and 0 nays.

9D. Consideration and possible action on a resolution expressing official intent to reimburse certain expenditures related to Front Street waterline replacement project.

Melanie Hudson, Finance Director made the staff presentation. The proposed FY17 Budget includes funding for the Front Street waterline project. This reimbursement resolution allows the City to use existing cash on hand in the Utility Fund to pay for project expenses and then reimburse the funds once debt is issued. City staff, the City advisor, and the City's bond attorney are completing the preliminary work to issue certificate of obligation bonds in 2017.

**MOTION:** Councilmember Anne Cano moved to approve the resolution expressing official intent to reimburse certain expenditures related to Front Street waterline replacement project. Nathan Killough seconded the motion.

**VOTE:**

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Mayor Doug Gaul</th>
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<tr>
<td></td>
<td>Mayor Pro-tem Michael Smith</td>
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<td>Councilmember Anne Cano</td>
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<td>Councilmember Lucio Valdez</td>
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<td></td>
<td>Councilmember Bettina Jordan</td>
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<tr>
<td>Nays:</td>
<td>None</td>
</tr>
</tbody>
</table>
Abstain: None
Absent: None

**ACTION:** The motion carried with 7 ayes and 0 nays.

9E. **Consideration and possible action with respect to a Resolution Authorizing Proceeding with Issuance of one or more Series of Obligations for the City’s Capital Improvement Programs and Refinancing for Debt Services Savings; and other matters related thereto.**

Melanie Hudson, Finance Director, made the staff presentation. The General Obligation bonds will be backed by the City’s property taxes, and are the final bond issuance for projects approved by voters in the 2009 Bond Election.

The City also has an opportunity to refund a portion of existing debt at a lower interest rate in order to reduce future debt service payments.

Dan Weggmiller, with Specialized Public Finance, provided an overview of the process and how the City can issue this debt without it effecting the tax rate, due to the increase in appraisal rolls coupled with low interest rates.

**MOTION:** Councilmember Tom Hines moved to approve the resolution authorizing proceeding with Issuance of one or more Series of Obligations for the City’s Capital Improvement Programs and Refinancing for Debt Services Savings; and other matters related thereto. Councilmember Lucio Valdez seconded the motion.

**VOTE:**

Ayes: Mayor Doug Gaul
Mayor Pro-temp Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: Councilmember Nathan Killough

Abstain: None
Absent: None

**ACTION:** The motion carried with 6 ayes and 1 nay.

9F. **Consideration and possible action on a resolution concerning Outside Agency Funding allocations and authorizing the City Manager to execute all Interlocal Agreements established with Outside Agencies for the 2016-17 Fiscal Year.**

Melanie Hudson, Finance Director, made the staff presentation. The Outside Agency Committee, made up of Mayor Doug Gaul, Councilmember Anne Cano, and Councilmember Nathan Killough, met on July 11, 2016, to hear presentations from outside agencies that submitted funding requests to the City of Hutto for FY 2016-17. The Committee made the following recommendations for funding based on available funds:
<table>
<thead>
<tr>
<th>Organization</th>
<th>2016-17 Requested</th>
<th>2016-17 Recommended</th>
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</thead>
<tbody>
<tr>
<td>Hutto Has Heart</td>
<td>$15,000</td>
<td>$15,000</td>
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<tr>
<td>Hope Alliance</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Hutto Area Chamber of Commerce</td>
<td>$17,500</td>
<td>$10,500</td>
</tr>
<tr>
<td>Hutto Community Food Pantry</td>
<td>$15,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Round Rock Area Serving Center</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Williamson County Children’s Advocacy Center</td>
<td>$15,000</td>
<td>$15,000</td>
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<tr>
<td>Weekend Lunchbox Program</td>
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<td>$6,000</td>
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<tr>
<td>Hutto Education Foundation</td>
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<tr>
<td>Hutto Family YMCA – Annual</td>
<td>$5,000</td>
<td>$2,500</td>
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<tr>
<td>Hutto Family YMCA – FNL</td>
<td>$5,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>Hutto Family YMCA – MEND</td>
<td>$7,500</td>
<td>$2,500</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$130,000</strong></td>
<td><strong>$85,500</strong></td>
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</table>

The Committee stipulated that Hutto Has Heart funding in the amount of $15,000 cannot be used for ongoing expenses and salaries.

**MOTION:** Councilmember Anne Cano moved to approve the resolution concerning Outside Agency Funding allocations and authorizing the City Manager to execute all Interlocal Agreements established with Outside Agencies for the 2016-17 Fiscal Year. Mayor Pro-tem Michael Smith seconded the motion.

**VOTE:**

**Ayes:**
- Mayor Doug Gaul
- Mayor Pro-tem Michael Smith
- Councilmember Anne Cano
- Councilmember Tom Hines
- Councilmember Nathan Killough
- Councilmember Lucio Valdez
- Councilmember Bettina Jordan

**Nays:** None

**Abstain:** None

**Absent:** None

**ACTION:** The motion carried with 7 ayes and 0 nays.

**WORK SESSION**

10A. Presentation and discussion of the Proposed 2016-17 Annual Operating Budget.

Micah Grau, Interim City Manager, made the staff presentation. The Hutto City Charter requires that the City Manager present a proposed annual operating budget prior to August 15th.
Mr. Grau provided a high-level look at the budget process, charter requirements, Fiscal and Budgetary policies, comparative staff ratio of our benchmark cities, and the City Council priorities.

Melanie Melancon, Finance Director, provided an overview of the revenues and expenses of the General Fund, Utility Fund, Red Light Camera Fund, Solid Waste Fund, Hotel Occupancy Tax Fund, Court Fund, and the PEG Fund, proposed FY 17 staff, projects, and equipment.

Gretchen Doty, Budget Analysis, provided information on the current tax rate, proposed tax rate, effective tax rate, and rollback tax rate and the process of a rollback tax rate election.

**OTHER BUSINESS**

11A. Consideration and possible action on the proposed Ad Valorem tax rate, including taking a record vote on the proposed rate, and setting dates, times, and places for a public hearing and adoption of the tax rate.

Melanie Melancon, Finance Director, made the staff presentation. Consideration of the Ad Valorem tax rate for the 2016-17 Budget began with the overview of the City Manager’s proposed budget. The amounts estimated for Property Tax revenue were based on decreasing the overall Property Tax rate to $0.520443.

The tax rates, per $100 of taxable value, are as follows:

2015-16 (current year) tax rate: $0.528500

2016-17 (upcoming year) effective rate: $0.480395

2016-17 (upcoming year) rollback rate: $0.520443

2016-17 (upcoming year) proposed rate: $0.520443.

This year’s proposed rate is $0.429335 (O&M) plus $0.091108 (I&S).

Truth in taxation requires that the Council take a record vote if a tax increase above the effective rate rollback is being considered and a ¼ page notice be published in the newspaper and on the website at least 7 days before the tax hearing. This notice will include the maximum tax rate increase that the Council is considering. The two required tax hearings are proposed to be held, if necessary, on **August 18 and August 25**.

This decision must be considered through a record vote of the City Council (individual role call and vote). The notice must publish the maximum tax rate that the City Council will consider; however, the Council may choose to adopt a lower rate later in the budget process.
The rate selected to support the Interest and Sinking portion of the rate may not be altered after this evening without starting the tax rate process over.

**MOTION:** Councilmember Tom Hines moved that the proposed 2016-17 tax rate for the City of Hutto be published at $0.558500 per $100 of assessed valuation, that a public tax hearing be scheduled for August 18 and August 25 and that the vote on the tax rate ordinance be scheduled for September 1, 2016. Councilmember Lucio Valdez seconded the motion.

**VOTE:**

**Ayes:**

Mayor Doug Gaul  
Mayor Pro-tem Michael Smith  
Councilmember Anne Cano  
Councilmember Tom Hines  
Councilmember Nathan Killough  
Councilmember Lucio Valdez  
Councilmember Bettina Jordan

**Nays:** None

**Abstain:** None

**Absent:** None

**ACTION:** The motion carried with 7 ayes and 0 nays.

11B. **Consideration and possible action on the appointment of a City Council Member to represent the City of Hutto on the Clean Air Coalition of the Capital Area Council of Governments.**

**MOTION:** Councilmember Tom Hines moved to appoint Mayor Doug Gaul to represent the City of Hutto on the Clean Air Coalition of the Capital Area Council of Governments. Councilmember Nathan Killough seconded the motion.

**VOTE:**

**Ayes:**

Mayor Doug Gaul  
Mayor Pro-tem Michael Smith  
Councilmember Anne Cano  
Councilmember Tom Hines  
Councilmember Nathan Killough  
Councilmember Lucio Valdez  
Councilmember Bettina Jordan

**Nays:** None

**Abstain:** None

**Absent:** None

**ACTION:** The motion carried with 7 ayes and 0 nays.

**EXECUTIVE SESSION**
12A. Executive Session, as authorized by Texas Government Code §551.071, to seek legal advice regarding the Police Department's internal affairs and personnel appeals processes.

The Hutto City Council recessed into executive session at 9:01 pm.

The Hutto City Council reconvened into regular session at 10:21 pm.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:21 pm.

CITY OF HUTTO, TEXAS

[Signature]

Doug Gaul, Mayor

ATTEST:

[Signature]

Seth Gipson, City Secretary