



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, March 5, 2019

3:00 PM

City Hall Conference Room

630 E. Hopkins - Work Session

I. Call To Order

With a quorum present, the work session meeting of the San Marcos City Council was called to order by Mayor Hughson at 3:04 p.m. Tuesday, March 5, 2019 in the City Hall Conference Room, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Council Member Rockey Moore arrived after roll call at 4:47 p.m. due to work obligations.

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Melissa Derrick, Mayor Jane Hughson, Council Member Ed Mihalkanin, Council Member Joca Marquez and Council Member Mark Rockey Moore

1. Receive Staff presentation, and hold discussion, regarding the approved Fiscal Year 2019 Capital Improvement Plan (CIP) Projects, as well as, an update on the issuance of bonded debt in May 2019 to provide funding for the projects, and provide direction to Staff.

Bert Lumbreras, City Manager, provided an overview and introduced Heather Hurlbert, Director of Finance, who provided the Council with the Staff presentation. He explained that this is ensure that the Council is familiar with all of the Capital Improvement Projects that the Council will be asked to issue Certificates of Obligation (CO) Bonds for in May of 2019.

Ms. Hurlbert provided a review of the Annual Capital Improvement Project (CIP) process. She also reviewed the CIP and debt issuance timeline and explained the CO issuance process. Ms. Hurlbert explained that CO bonds are backed by the full faith and credit of the City. She explained that CO bonds are tax supported debt and that debt payments for the CO bonds issued for the Enterprise Funds will be paid from revenue generated by rates. She further explained that there is no tax rate impact from these CO bonds. The debt payments will be paid from existing capacity. The CO bond terms will range from one year to twenty years with shorter life assets/studies funded with shorter term bonds. Ms. Hurlbert stated that we are currently working with

our financial advisor to choose the best financing option for short-term project needs.

Ms Hurlbert provided that the City will do a competitive sale in which buyers will submit bids to buy all CO bonds at a competitive price with the lowest bid winning. She stated that Staff is confident that Standard and Poor's will affirm the City's AA rating.

Ms. Hurlbert reviewed the Fiscal Year 2019 Project Summary. Please see attachment Exhibit A for more information related to the Project Summary.

Discussion regarding how often projects are reviewed and prioritized in the CIP.

Discussion was held regarding moving any possible projects to be funded with cash and not being debt funded.

Discussion was held regarding an update on the CDBG-DR projects. Staff indicated that they will be receiving that update next on the agenda item.

Discussion was held regarding residential property tax base vs. Industrial and Commercial property tax base and what the cost of services are. Staff indicated that they would research the costs of service amounts and what the value of each tax dollar is going to pay for those services.

There were no further questions or direction provided.

- 2. Receive a Staff presentation and update regarding Community Development Block Grant-Disaster Recovery (CDBG-DR) Projects, and provide direction to Staff.**

Bert Lumbreras, City Manager, provided a brief introduction of this item and asked for the Council's direction related to the allocations of these projects. He introduced Laurie Moyer, Director of Engineering and CIP, and Jacqueline Thomas, Senior Engineer.

Ms. Moyer further introduced Ms. Thomas and explained that her position was one that was approved in this year's budget. Ms. Moyer reviewed the project goals and the presentation agenda and then Ms. Moyer turned the presentation over to Ms. Thomas.

Ms. Thomas provided an overview of the CDBG-DR Projects. She explained that these projects are in response to the Memorial Day Floods and All Saints

Flood of 2015, San Marcos received a \$25M allocation from the U.S. Department of Housing (HUD). Following a Needs Assessment, the City Council approved an initial \$12M for Infrastructure Projects. Subsequent \$8M HUD allocation included addition of \$6.9M for Infrastructure.

Ms. Thomas reviewed the Infrastructure Feasibility Study and the findings that we cannot handle a 100 year “regional” flooding event with “local solutions.” We can handle a “local” flooding event and reduce impacts of “regional” flooding.

Ms. Thomas reviewed the selected projects that were funded in order of priority:

Midtown - \$850,000

Blanco Gardens - \$5,000,000

Clarewood/Barbara Drive - \$2,500,000

Blanco Riverine - \$6,971,200

Uhland Road - \$4,190,000

Total - \$19,511,200

Ms. Thomas reviewed the Historic Flood Events for the Blanco River. Discussion was held regarding the peer review that Ms. Moyer has asked for regarding the Historic Flood Events for the Blanco River.

Ms. Moyer reviewed the overall DR Program Funding and explained that staff would be coming back with an Action Plan amendment to reallocate of \$6.9 million that would be pulled from the following projects or activities:

Clarewood/Barbara Drive DR Funds (\$2.3M), Housing Program DR Funds (\$1.6M), Planning DR Funds (\$3.0M). Ms. Moyer reviewed the other funds (up to \$36.7 million) to be used for flood mitigation. Those funds included a Flood Mitigation Assistance Grant funded by FEMA and Texas Water Development Board for the Blanco Riverine Project (\$12.7M) and the Future CDBG-DR Funds funded by HUD for Hazard Mitigation (\$24.0M).

Mayor Hughson asked about the Future CDBG-DR Funds for Hazard Mitigation, and if staff knew what kind of restrictions will be placed on it. Staff indicated that we do not know at this time, but staff wants to use them elsewhere in the City for flood mitigation and not in the current Action Plan area.

Ms. Moyer reviewed the next steps. She informed the Council that they would like to move forward with Action Plan Amendment #8 and would have a

Community Meeting and City Council Meeting Public Hearing to receive comments in April. Council provided consensus for Staff to move forward with bringing the Amendment forward.

Ms. Moyer provided that the Final Design Contacts will be considered by Council in April for:

Midtown DR

Blanco Gardens (Woods Mitigation Funds)

Blanco Gardens

Ms. Moyer reviewed again the CDBG-DR Hazard Mitigation funding and indicated that we do not know when we will receive it, but that Stacy Brown, Housing & Community Development Manager, would be working on the Action Plan for these funds to bring for Council consideration.

Ms. Moyer also explained that we will find out if we received the Flood Mitigation Assistance Grant in the May timeframe.

There were no further questions or direction provided.

EXECUTIVE SESSION

- 3. Executive Session in accordance with Section 551.087, Economic Development, to receive a staff briefing and deliberate regarding a potential Chapter 380 Economic Development incentive agreement for Project World Series.**

A motion was made by Council Member Mihalkanin seconded by Council Member Derrick to enter into Executive Session at 4:21 p.m. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin and Council Member Marquez

Against: 0

Absent: 1 - Council Member Rockeymoore

III. Adjournment.

The Council reconvened into Open Session at 5:21 p.m.

Mayor Hughson adjourned the work session meeting of the San Marcos City Council at 5:21 p.m.

Jamie Lee Case, TRMC, City Clerk

Jane Hughson, Mayor