

**City of Wimberley**  
City Hall  
221 Stillwater  
Wimberley, Texas 78676  
**Minutes of Regular Meeting of City Council**  
March 17, 2016 at 6:00 p.m.

City Council meeting called to order at 6:00 p.m. by Mayor Steve Thurber.

Mayor Thurber gave the Invocation and Councilmembers led the Pledge of Allegiance to the United States and Texas flags.

Councilmembers Present: Mayor Steve Thurber, Councilmembers Bob Dussler, Cindy Anderson, Mac McCullough, Pam Showalter, and John White.

Staff Present: City Administrator Don Ferguson & City Secretary Cara McPartland

### **Proclamation**

Proclamation of the City of Wimberley recognizing Hays County Precinct Three Deputy Constable Tom Wallace for eleven (11) years of support and service to the residents of Wimberley

Mayor Thurber presented the proclamation to Deputy Constable Wallace who expressed appreciation to Council. He spoke of his long history as a Wimberley resident and was honored to serve the citizens of Hays County and our precinct.

### **Citizens Communications**

Texas Floodplain Management Association Executive Director Roy Sedwick and Conference Program Chair John Espinoza presented a plaque to the City of Wimberley for its proven resilience and response after flooding and its excellence in floodplain management and flood hazard mitigation. Mayor Thurber accepted the plaque and expressed appreciation for the award. Mr. Sedwick commended City Administrator Ferguson for his presentation at a recent conference and said the Texas Floodplain Management Association would like to help with fundraising toward efforts to build a flood memorial.

#### **1. Consent Agenda**

- A. Approval of minutes of the Regular City Council meeting of March 3, 2016
- B. Approval of minutes of the Special City Council meeting of March 3, 2016
- C. Approval of the February 2016 Financial Statements for the City of Wimberley

Councilmember Showalter moved to approve the Consent Agenda, as presented. Councilmember Anderson seconded. Motion carried on a vote of 5-0.

## 2. City Administrator Report

- Status report on the Central Wimberley Wastewater Project

City Administrator Ferguson reported that the City's loan application to the Texas Water Development Board (TWDB) is expected to be considered at the Board's April 11<sup>th</sup> meeting. A system design briefing is tentatively scheduled for April 7, 2016. He reminded that updated project information and timeframe is available on the City's website.

- Status report on sales tax collections for the City of Wimberley

City Administrator Ferguson reported that the City's March collections totaled \$56,455.30, up thirty percent (30%) from the same period last year. Year to date collections totaled \$436,682.00, up eighteen percent (18%) from the same period last year and running well ahead of budget.

- Status report on Hotel Occupancy Tax collections for the City of Wimberley

City Administrator Ferguson reported that collections to date total \$38,922.24, provided monthly/quarterly breakdowns, and advised the Hotel Occupancy Tax Advisory Committee continues to work diligently on developing rules and procedures. He stressed that the Committee is not accepting any funding proposals at this time.

- Status report on Blue Hole Regional Park operations

City Administrator Ferguson reported that construction of the replacement deck is underway. He provided details on the "Raptors Return to the Pavilion" event to be held at 10 a.m. on Saturday, March 19, 2016. He advised that applications are being accepted for summer part-time positions. He noted that the swimming area will be open weekends in May, then daily from Memorial Day through Labor Day and that discount passes are available. Councilmember White requested future consideration of opening the swimming area during spring break when there are high numbers of visitors to Wimberley. He anticipated a presentation in the coming weeks to Council on the Park's summer programs and an award from the Texas Recreation and Parks Society.

- Status report on Short-term Rental Compliance Project

City Administrator Ferguson reported that responses are coming in from a recent mailing to determine compliance with existing rental operations. He noted that one conditional use permit (CUP) application that was submitted before Council's action on grandfathered status, was withdrawn by the applicant, who provided an affidavit as documentation of continuous use for a period of five (5) or more years. He stressed that proof of grandfathered status allows the short-term rental to continue to operate, but reminded that any change in use, violation of CUP condition(s), or complaints on the operations could result in revocation of grandfathered status and require approval of a CUP. He complimented operators and rental agents for their cooperation.

- Status report on 2015 Flood Recovery

City Administrator Ferguson reported that design work has started on the River Road Bank Restoration Project and the Hidden Valley low water crossing reconstruction. He advised that a memorial event is scheduled for Saturday, May 21, 2016 from 10 a.m. to 2 p.m. at Blue Hole Regional Park in remembrance of the 2015 Memorial Day Weekend Flood. He said a large number of volunteers are in Wimberley for spring break helping with reconstruction projects. He advised FEMA will be here this week to finalize paperwork on both the Memorial Day and October 2015 flood events.

In addition, City Administrator Ferguson reported that the City received a \$5,000 check from the Wimberley Village Library District representing a portion of proceeds from the sale of the recently published book on the Memorial Day Weekend Flood. He also noted that the Ranch Road 12 Bridge over the Blanco River will be subject to lane closures from 9 p.m. on Wednesday, March 23<sup>rd</sup> until 5 a.m. on Thursday, March 24<sup>th</sup> for fortification of USGS gauges.

Brief discussion included the timeframe for the River Road and Hidden Valley projects and Mayor Thurber reminded that discounted admission to the Blue Hole Regional Park swimming area is available to those within the 78676 zip code from 6 to 8 p.m. on Tuesday and Wednesday nights. Discussion continued on rainfall/flow gauges now in place and the development of warning sirens.

### **3. Discussion and Possible Action**

- A. Discuss and consider possible action regarding the proposed addition of a contingent liability footnote to *The City of Wimberley Annual Financial Report for the Fiscal Year ending September 30, 2015. (Preston Singleton, Singleton Clark & Company)*

City Administrator Ferguson introduced Preston Singleton of Singleton Clark & Company who proposed a supplement to the notes section of the Fiscal Year 2015 Annual Financial Report. He said the addition of a notes disclosure would be helpful in explaining why an accrual was not made and took responsibility for not initially including such a note. He detailed GASB 62 standards on the topic of contingent liabilities and defined terms and criteria that would dictate whether a potential loss could be accrued as follows: 1.) Information available prior to the issuance of the financial statements indicates that it is probable that liability had been incurred at the date of the financial statements; and, 2.) the amount of that liability can be reasonably estimated. He provided further details on determining levels of probability (likely, reasonably possible, or remote). Mr. Singleton noted difficulties in determining the City's level of probability given the unknown amount of future reimbursements from FEMA and use of volunteer hours for clean-up as an in-kind match.

Mr. Singleton said at this point in time it is still unknown what the City's potential liability might be and would be a guess, however, he felt the following addition to Note "K: Contingencies" would be useful: "In May 2015, the City of Wimberley experienced catastrophic flooding caused by the swelling of the Blanco River after a major, multi-day rain event. Following the flood, the City contracted with Hays County for the collection of flood debris within the

corporate limits of the City with the commitment to pay the County the City's proportionate share of collection costs not reimbursed by state or federal agencies. As of the date of these financial statements, the amount of the City's share of the clean up costs, if any, cannot be estimated and is not anticipated to be material."

Councilmember McCullough questioned Mr. Singleton as to why there was no mention of the flood event in the original report. Mr. Singleton said that the flood event was a matter of discussion during the audit and the abovementioned factors were considered as part of determining whether the City needed to accrue a liability as of September 30, 2015. He said that of the abovementioned criteria, the second one requiring a reasonable estimation of liability could not be met. Mr. Singleton recognized that a notes disclosure would have been beneficial, but he did not want it to appear that the matter was not deemed important by him or by the City.

Councilmember McCullough questioned the notes disclosure language stating that the City's share of clean up costs "cannot be estimated and is not anticipated to be material." Councilmember McCullough said he had never seen so many County dump trucks and tried to guess the number of crews and trips to the dump. He estimated that the City has \$200,000 worth of debt by his estimation and by his observations. He said the number of volunteer hours has not been computed, but stated the City immediately incurred real debt to the County when we signed the interlocal agreement. Councilmember McCullough felt uncomfortable incurring more than \$5,000,000 in debt (referring to the proposed central wastewater system) without showing we incurred debt to the County and said Mr. Singleton should "parcel that apart" and see what that cost could be. Councilmember McCullough did not feel that the cost to the County "cannot be estimated and is not anticipated to be material," and described "material" as being greater than \$1,000. He believed the City's cost share is going to be \$200,000 by breaking down truckloads and labor hours.

Mayor Thurber spoke of accounting rules, stated you cannot book a number as a contingent liability unless you have a reasonable expectation that there is one, and said the \$200,000 figure based on Councilmember McCullough's observations of large numbers of dump trucks does not meet the previously discussed accounting criteria. Mayor Thurber stated at this point there has been no indication from Hays County or FEMA that the City owes a material amount. Discussion addressed "materiality," which Mr. Singleton defined as a number that is big enough to make a difference, in Council's judgment, in the financial statements and provided examples. Given the City's Fund Balance, Mr. Singleton did not feel \$1,000 would be considered material enough to affect the City's judgment of the City's financial condition.

Councilmember McCullough questioned FEMA's written obligation to reimburse the City and City Administrator Ferguson stated documentation exists on meeting qualification for in-kind matches. Councilmember McCullough disagreed and said we have to show this debt.

Discussion addressed problems associated with quantifying Councilmember McCullough's \$200,000 estimate and noted auditing principles that require supporting documentation if such a figure were included in the City's financial statements and deemed to be a reasonable estimate that meets the second abovementioned standard. Councilmember McCullough said in his view that it does not have to pass this test. Mr. Singleton stated if a thorough analysis was presented

to him it would be reviewed for possible inclusion. Councilmember McCullough felt he could figure what we owe by looking at what the City was facing in those early weeks after the flood. Discussion addressed the role of an independent auditor in preparing financial statements and showing debt for actual bills for services incurred versus unknown debt amounts.

Councilmember Showalter moved to approve the addition of the footnote, as presented. Councilmember Dussler seconded. Motion carried on a vote of 4-1. Councilmember McCullough voted against.

- B. Discuss and consider possible action authorizing the mayor to submit a letter of support to *CASA of Central Texas*. *(Place Four Councilmember Pam Showalter)*

Councilmember Showalter referenced CASA representatives' previous presentation from Council's last meeting and said it seems appropriate to support their desire to build a permanent facility.

Councilmember McCullough moved to approve the letter of support, as presented. Councilmember Anderson seconded. Discussion addressed CASA's services, its efforts to obtain funding for a permanent facility, and letter of support that does not require a financial commitment from the City. Motion carried on a vote of 5-0.

- C. Discuss and consider possible action approving the 2015-2016 Health Insurance Benefits Package from the Texas Municipal League Intergovernmental Employee Benefits Pool. *(City Administrator)*

City Administrator Ferguson presented the 2015-2016 Package, which increases the City's cost for employee medical insurance by three percent (3%). He advised that there will be a ten percent (10%) increase in employee dental insurance and no increase in the City's cost for employee vision coverage.

Councilmember White moved to approve the package, as presented. Councilmember Anderson seconded. Motion carried on a vote of 5-0.

- D. Discuss and consider possible action approving plans for a City of Wimberley Citizen Academy. *(City Administrator)*

City Administrator Ferguson presented plan topics, number of sessions, class size, and application/graduation process. Topics would focus on areas such as City Council, boards and commissions, administration, finance/budget, planning and zoning, permitting, intergovernmental relations, elections, parks/community center operations, public safety, emergency services, municipal court, public health/inspections, utilities, open meetings, and public information.

Discussion addressed greater citizen involvement, including various service organizations (such as Scout troops), required minimum age for participants, liability issues, and favored eligibility of extra territorial jurisdiction (ETJ) residents to participate in the academy.

Councilmember Showalter moved to approve the plans, as presented. Councilmember Anderson seconded. Motion carried on a vote of 5-0.

**4. City Council Reports**

- Announcements
- Future Agenda Items

As a future agenda items: Councilmember McCullough requested discussion of the conditional use permit (CUP) process to require that the City be notified of any complaints regarding short-term rentals and Councilmember Showalter requested discussion of improvements to the City's website.

Hearing no further announcements or future agenda items, Mayor Thurber called the meeting adjourned.

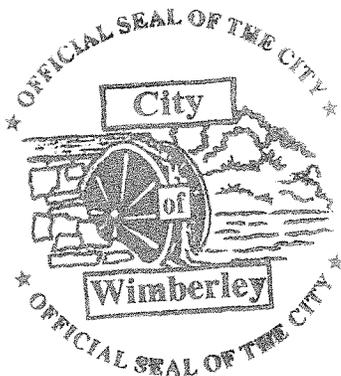
**Adjournment:** Council meeting adjourned at 7:06 p.m.

Recorded by:

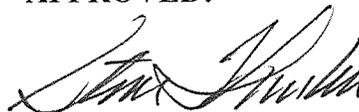


Cara McPartland

These minutes approved on the 7<sup>th</sup> of April, 2016.



**APPROVED:**



Steve Thurber, Mayor