

City of Wimberley
City Hall, 221 Stillwater
Wimberley, Texas 78676
Minutes of Special Meeting of City Council
April 26, 2011 at 5:00 p.m.

City Council meeting called to order at 5:00 p.m. by Mayor Bob Flocke.

Councilmembers Present: Mayor Bob Flocke and Councilmembers Marilee Wood, Mac McCullough, Steve Thurber, and John White.

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

Workshop

A workshop to discuss and consider issues regarding the proposed development of a plan to explore various possible funding alternatives including, but not limited to, a City ad valorem tax, to fund future City infrastructure improvements including, but not limited to, street, drainage and park improvements.

Mayor Flocke stated the workshop's purpose to engage the public in an open conversation about community needs, resources, and priorities. He announced rules for speakers and stated that Council discussion will follow speakers' comments. There was a brief exchange between Mayor Flocke and Wimberley resident Stephanie Reynolds clarifying the protocol for tonight's meeting.

Eagle Rock resident Clint Frankmann spoke against ad valorem (property) taxes and provided reasoning for recommended taxes on specific items (deer corn and take-out food) as alternative revenue sources, in lieu of "slapping liens on people's properties to pay for a sewer system down on the Square."

Mayor Flocke stated that Council has not proposed a property tax and would not use a general revenue source to pay for something that is going to benefit only part of the town. In the interest of correcting misinformation, Mayor Flocke stressed that if the City of Wimberley ever has a property tax, it will not be used for a downtown sewer system.

Wimberley resident Leon Hewlett recalled his wife's tenure as Wimberley's first elected mayor, her instrumental role in Wimberley's incorporation, and her position against City property taxes. Mr. Hewlett recognized current economic conditions and noted that his current property taxes have increased over the years. He advised that due to his family's fixed income, implementation of a property tax would be unaffordable, and would force him to sell his home.

Wimberley resident Stephanie Reynolds cited Council's discussion of property taxes at last year's budget workshop meeting and stated that it was discussed "as something you wanted to do." Mayor Flocke clarified that Council has only discussed property taxes, but has not proposed such taxes. Ms. Reynolds questioned ad valorem tax revenue as "a source for you to secure a wastewater loan for the wastewater system downtown," and Mayor Flocke stated that a

tax revenue base could be used as back-up for a loan in case of default. Ms. Reynolds stated that she did not trust Council and posed questions regarding potential tax rates, applicability to residents/businesses, possible exemptions, and Hays County's role as a taxing authority. She felt that Blue Hole and the Community Center are not priorities that the City can afford right now and stated that she did not want to pay more taxes for Blue Hole and a wastewater system that could be done at less cost.

Wimberley resident David Estey acknowledged the need for additional revenue, but did not support additional taxes in a climate of cutting taxes and spending. He cited alternative revenue sources such as revenue bonds, and economic development/industrial zones, with revenues to be used for specific purposes and controlled by an independent party. Mr. Estey stated that sooner or later there will be massive septic system failures and stressed the need for a new wastewater system in order to avoid negative effects on the community, should such failures occur. He did not feel that an ad valorem tax which can be adjusted at the whim of some people is necessary.

Wimberley resident Jim Lee spoke of his former experience as a member of the Wimberley Transportation Advisory Board and expressed his frustration over the City's lack of funding for road issues. He recalled his investigative work at the State of Texas General Land Office, which revealed that commercial property appraisal values were under-appraised by at least twenty percent (20%). Mr. Lee felt that the State's corrective action will result in at least a 20% increase in commercial property appraisal values. He hoped that a Wimberley ad valorem tax would not be "residentially focused." Mr. Lee noted the City's past lawsuit-related expenditures and stated that he is "severely frustrated by the road situation in this town."

Should the City opt to send out surveys, Wimberley resident David Wilson hoped that such surveys would be carefully worded to "reflect exactly what this is all about and what this can possibly mean to people." Mr. Wilson expressed his opposition to additional taxes and expected the City "not to have ad valorem taxes."

Wimberley resident M.F. Johnson spoke in favor of finding out what makes Wimberley unique and hanging on to those principles. She favored the principle of living within one's means and stated that Wimberley does not owe anybody amenities. She suggested signs that "show an earlier way of thinking" such as "what you see is what you get."

Wimberley resident Alice Wightman favored town meetings on "where we want to go as a community" and felt that there is a conflict between staying a tourist community and becoming a bedroom community to either Austin or San Marcos. She felt that people want Wimberley to stay a tourist community and stated the need to define what that means and how to achieve that end. She hoped part of Council's consideration would include a Hotel Occupancy Tax as something that is needed to support Wimberley's vision. She noted higher sales tax revenues from selling Wimberley as a tourist community. Ms. Wightman hoped that Council will start a regional conversation with the City of Blanco and the Army Corps of Engineers about flood control projects, due to potential problems relating to a future road project that will connect I-35 to Leander and Cedar Park. She advocated having a list of needs with cost figures before Council proceeds.

Roberta Shoemaker Beal spoke of recent candidate comments at a League of Women Voters-sponsored event, which strongly communicated a “no tax” message. She hoped that there will be an ongoing series of workshops and expressed her concerns over the burdensome cost of a downtown wastewater system to Square merchants. She advocated looking at problems in the Wimberley Valley (as proposed by Jack Hollon) from the perspective of a very unique geological bio-region that poses difficult water management issues. Ms. Beal also expressed concerns about keeping Cypress Creek clean. In the interest of cost-spreading, Ms. Beal asked Council to consider “some kind of tax that would carry the burden of a wastewater treatment plant to the people who are using the septic system,” or a “water tax” that “would be paid for by tourists coming in town.”

Hearing no more comments from signed-in speakers, Mayor Flocke opened Council discussion.

Although sympathetic to speakers’ comments against ad valorem taxes, Councilmember McCullough stated that Council members took an oath to uphold the laws and values of the City of Wimberley. He expressed concerns relating to the cost of designated road repairs that would take at least fifteen (15) years to complete, if \$200,000 were allocated each year, and regarding inadequate reserve funds for flood damaged roads. Although not “sold on the ad valorem tax,” Councilmember McCullough felt that Council has an obligation to support the overall community and its infrastructure and asked for guidance from the public to help solve funding challenges.

Councilmember Thurber felt that the purpose of tonight’s meeting is to discuss the most effective mechanisms for the community to provide input and guidance to Council on needs, priorities, and funding, not to decide the issue of ad valorem taxation. He believed that the public should communicate its priorities and prospective ways to fund those priorities. He stated that it is Council’s job to facilitate the process of involving the community, gathering input, identifying needs and priorities, and funding those priorities.

Because there is not enough money to take care of our “wants,” Councilmember White stated the need to separate our “wants” from our “needs.” He said that the primary function and first “need” of the City is to put more money into roads. He could not support a property tax without clear public support and acknowledged that the City’s “rainy day” fund would not cover a road washout in the event of a major flood. Councilmember White provided examples of the types of real and personal properties subject to appraisal district valuation and taxation. Brief discussion ensued of the cost of moving a road (such as River Road) out of the floodplain.

Councilmember Wood agreed with Councilmembers Thurber and White and recognized the lack of funds to meet the City’s needs. She acknowledged that Council has to make hard choices about what the City can afford when faced with repeated requests for help. Councilmember Wood stated that Council should not act without community support and felt that the public will communicate when it wants a property tax. She stated that the public needs to convey its priorities and funding suggestions to Council, which has the job of facilitating the process. Because taxation is a topic of interest at every level of government right now and Wimberley is likely to receive less funding from other sources, Councilmember Wood felt that there should be a conversation at the local level. She favored an open process, with a dialogue among Council

and citizens, as the only way to ever come to a consensus on what the community values. To help illustrate the use of ad valorem taxation and resulting revenue, Councilmember Wood provided information on the City of Woodcreek's property tax rate/collections and the effect of property taxes on its overall budget. She thought having a conversation on this issue as the City matures is a healthy process for the City.

Mayor Flocke concurred that roads and bridges are the City's biggest funding challenges and agreed that it is time to have a conversation about how to pay for road repairs, whether routine or resulting from a natural disaster, such as flooding.

Councilmember Wood spoke of the value of interaction and distributed cards for the audience to fill out with their thoughts, ideas, and priorities.

Helen Stutchbury spoke in support of finding creative ways to raise funds for City projects. She felt optimistic that a small number of people can create a large change and spoke highly of the qualifications of Tracy Calamari, the new Wimberley Community Center Director.

Discussion among Council and Roberta Shoemaker Beal, who advocated using local, creative talent, established that the City's well-qualified Budget Advisory Board will be involved in the public process of exploring alternative funding sources. There was subsequent discussion of the City's dependence on sales tax revenue, tax rate caps, and rollback provisions in State statutes. Ms Beal recommended Helen Stutchbury as a source of optimistic, innovative thinking and commended her enthusiasm.

Clint Frankmann recommended "downsizing" by reducing the physical size of the City through deannexation. Mayor Flocke clarified for Mr. Frankmann the citizen-initiated deannexation process and the City's role in the process. Mr. Frankmann stated that if the City cannot deannex, "I bet there's a lot of us here who can."

Cynthia Marion spoke of comments made at Hays County Commissioners Court indicating that Wimberley does not "pay its way" and expects money from Hays County. She stated that taxes would still be paid to the County, whether or not properties were deannexed. She felt that expanding Market Days from one to two days would double the City's sales tax revenues and suggested that the Lions Club connect with other non-profit organizations to help increase the number of available volunteers. Problems were cited with past attempts to hold Market Days on both Saturday and Sunday, including lack of volunteers, decreased second-day attendance, and increased expenses to vendors.

Council discussion agreed on the need for continued public input and it was recommended that this meeting's attendees provide contact information and any other suggestions/remarks before leaving.

Madonna Kimball expressed interest in comparing City expenditures over a ten-year time period. She stated that money has been wasted on specific items such as lawsuit settlements, street paving/closure, City Hall property purchase, and administrative costs. She questioned the cash purchase of City Hall, the city administrator's pay raise, and money spent on Blue Hole.

Council discussion addressed Blue Hole revenues/expenditures, which are maintained in a separate Blue Hole Fund, the cost-effectiveness of purchasing City Hall versus rental costs, and anticipated tax revenues based on a specific tax rate (10-cents per \$100 appraised valuation). Council spoke highly of City Administrator Ferguson's exemplary work record, including long hours and expertise that has saved the City enormously on legal expenses.

Jim Lee spoke of a specific unincorporated area (the so-called "donut hole") and proposed encouraging citizens to voluntarily ask for deannexation of their properties, in order to reduce the size of the City's incorporated area and number of roads to maintain.

Councilmember Thurber suggested that Council schedule a joint workshop with the Budget Advisory Board as soon as practicable in order to get the Board's input and decide on how to continue the process of community involvement. Councilmember McCullough suggested creating a "primer" on various types of taxation and taxing entities to clear up misinformation about ad valorem taxation versus other kinds of taxation, such as the Hotel Occupancy Tax. Councilmember White asked everyone present to contribute to the conversation and the solution by offering ideas to help solve the problem, which is a shortage of money. Mayor Flocke reiterated earlier Council statements supporting City Administrator Ferguson and provided specific examples of substantial savings on legal expenses and the benefits of a having a qualified city administrator.

Hearing no further comments, Mayor Flocke called the meeting adjourned.

Adjourn

Mayor Flocke called the meeting adjourned at 6:15 p.m.

Recorded by:

Cara McPartland

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These minutes approved on the 19th of May, 2011.

APPROVED:

Steve Thurber

Steve Thurber, Mayor Pro Tem

