

**City of Wimberley**  
City Hall, 221 Stillwater  
Wimberley, Texas 78676  
**Minutes of Special Meeting of City Council**  
April 29, 2013 at 5:30 p.m.

City Council meeting called to order at 5:30 p.m. by Mayor Bob Flocke.

Councilmembers Present: Mayor Bob Flocke, Councilmembers Tom Talcott, Mac McCullough (arrived at 5:40 p.m.), Matt Meeks, Steve Thurber, and John White.

Staff Present: City Administrator Don Ferguson and City Attorney Emily Rogers

### **Workshop**

A workshop to discuss and consider issues relating to the possible formation of a Public Improvement District (PID) to help fund the development of a central Wimberley wastewater system.

City Administrator Ferguson outlined differences between procedures for creating Municipal Management Districts (MMDs) versus Public Improvement Districts (PIDs), including requirements related to petitions, public notifications/hearings, and methods of assessment. Based on revenue estimates from rate consultants at Water Resources Management (WRM), City Administrator Ferguson presented preliminary assessment rates for four (4) customer classes – larger high-impact commercial users; smaller low-impact commercial users; properties that are currently vacant; and residential users.

Using the prior estimated MMD tax revenue model based on property valuation, City Administrator Ferguson presented the following possible PID cost scenarios for wastewater system connection:

<i>Customer Class</i>	<i>Scenario #1 PID Assessment Rate Per \$100 Valuation</i>	<i>Scenario #2 PID Assessment Rate Per \$100 Valuation</i>
Commercial High-Impact	32 cents	33 cents
Commercial Low-Impact	22 cents	22 cents
Residential	17 cents	14 cents
Vacant	17 cents	18 cents

City Administrator Ferguson presented other factors to consider in assessment methodologies, such as allowing certain exemptions and deferring mandatory system connection. Details were provided on the petition process, specific language in the assessment ordinance, PID board membership requirements and composition, and timeframe for PID creation.

Discussion addressed:

- Need for possible future executive sessions to discuss potential conflict of interest issues
- Annual review of customer class designations for property owners
- Use of property valuations as assessed by Hays Central Appraisal District
- Public hearing schedule
- City-initiated petition process
- Delaying mandatory connection for certain users, the associated effect of such delay(s) on financial modeling/customer base, and the need to set a deadline for mandatory connection to the system
- Need for strict criteria to establish septic system compliance for those property owner(s) whose mandatory connection may be deferred

Mayor Flocke felt that a PID is not necessary as another layer of government and favored assessment of a city-wide ad valorem tax, with system users paying a higher percentage than non-users. He noted that more exact costs will be made available at the conclusion of the planning and design stage of the project.

Discussion included:

- Council's ability to manage a prospective PID with or without appointment of an advisory board
- PID board's limited role as an advisory body to City Council
- Use of estimated costs in the PID-creation process
- Implementation of city-wide versus system user ad valorem taxation
- Determination of appropriate class designations and apportionment of tax burden
- Deferrals for specific property owners from mandatory connection, particularly those who have recently made significant expenditures on their septic systems, and how to determine the length of the deferral period
- Available collection methods
- Establishment of PID boundaries
- Role and obligations of the City as a Certificate of Convenience & Necessity (CCN) holder

Mayor Flocke stressed that Council needs to consider whether or not to create a PID versus implementation of a city-wide ad valorem tax. Discussion continued on various taxation/assessment scenarios among those properties that would connect to the system, those properties within or outside PID boundaries, and/or among all City residents. It was noted that implementing a city-wide ad valorem tax would significantly reduce the tax burden on central Wimberley system users, however, discussion acknowledged that system users would be paying a greater share than non-users.

Clarification was provided on possible recusal issues and direction was provided to City Administrator Ferguson to place an item on a future Council agenda to consider the method of financing (PID assessments versus city-wide ad valorem taxation) to be used by the City to close

on the recently approved Texas Water Development Board loan for the planning and design of a central Wimberley wastewater system.

Subsequent discussion addressed the need to establish certain criteria such as creation of a class designation or mandatory connection deferral of a specific duration for those property owners with recently replaced/upgraded septic systems.

Council, City Administrator Ferguson, and audience members discussed how to assess properties with mixed (commercial and residential) uses, preference for Scenario #2 rates for residential and vacant classes, and staff direction to create an additional customer class for “deferred” properties that will connect to the system at a future date. For the “deferred” class, Council favored the same rate as listed above for “vacant” properties, with a ten-year deferral period to begin from the permit issuance date of the newly installed system.

### Adjourn

Mayor Flocke called the meeting adjourned at 6:44 p.m.

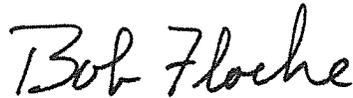
Recorded by:



Cara McPartland

These minutes approved on the 16<sup>th</sup> of May, 2013.

**APPROVED:**



**Bob Flocke, Mayor**

