



City of Granite Shoals
2221 N. Phillips Ranch Road
Granite Shoals, TX 78654
Phone (830) 598-2424 Fax (830) 598-6538
www.graniteshoals.org

MEETING MINUTES
GRANITE SHOALS CITY COUNCIL
SPECIAL CALLED MEETING AND BUDGET/TAX RATE WORKSHOP
GRANITE SHOALS CITY HALL, 2ND FLOOR COUNCIL CHAMBER
2221 N. PHILLIPS RANCH RD, GRANITE SHOALS, TX 78654
MONDAY, AUGUST 22, 2016 6:00 PM

1. Call To Order / Welcome at 6:01 PM by Mayor Brugger

Present:

Mayor Brugger
Council Member Shirley King
Council Member Anita Hisey
Council Member Eric Tanner
Mayor Pro Tem Tom Dillard
Council Member Mark Morren
Council Member Todd Holland

Absent:

Staff:

City Manager Ken Nickel
Assistant City Manager Peggy Smith
City Secretary Elaine Simpson
Finance Director Wendy Gholson

*Richard S. Donoghue, Bond Counsel
McCall, Parkhurst & Horton L.L.P.
600 Congress Avenue, Suite 1800
Austin, Texas 78701*

2. **Public comment and announcements and Items of Interest**

At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called. Anyone wishing to speak under this agenda item must complete a Comment Card and submit to the City Secretary prior to addressing the Council.

City Manager Nickel announced as an item of interest that Gary Boshears has been appointed to the position of Chief of Police and is no longer 'Interim': Interim Police Chief Gary Boshears is

officially promoted to serve as Chief Gary Boshears for the Granite Shoals Police Department. As City Manager, I am pleased with Gary's leadership since taking over as Interim Chief. Gary has a very professional management style and a long-range vision for the department. I believe these attributes will serve Gary well on the staff Management Team. We continue to work with and for Council toward making Granite Shoals the 'City on the Move' that we want it to be. .

Mr. Michael Steenbergen, 2208 Belaire, Granite Shoals, TX 78654: submitted a letter to the City Council earlier in the day, via email. This letter is attachment 'A' to these meeting minutes, as it was 'read into the record' by Ms. Angela Jaworski, 702 N. Shorewood Dr., Granite Shoals.

Mr. John Utley, 904 Hummingbird, Granite Shoals, TX 78654: General comments regarding an email response to Mr. Steenbergen by a Council Member.

Regular Items:

3. Discuss, consider and possibly take action on an "Ordinance Calling a Bond Election for November 8, 2016; Making Provisions for Conducting the Election and Other Matters Related to Such Election " related to public infrastructure improvements to arterial roads.
(City Manager Ken Nickel, City Secretary Elaine Simpson)

Mayor Brugger read the agenda item and recognized speakers interested in speaking to this topic:

Mr. John Utley, 904 Hummingbird, Granite Shoals, TX 78654: Discussed several concerns related to this bond issue. Noted a need for a detailed plan for road improvements. He also asked that information be published in the Picayune, rather than the Highlander. He expressed concern that the bond proceeds would not be spent on road improvements.

Mayor Brugger clarified that the Highlander News is the newspaper of record for the City of Granite Shoals. Our Notices are required to be published in the newspaper of record.

It was noted that the meeting minutes from all meetings are posted on the city's website after they are approved by the committee (or Council), and signed by the presiding chair.

Richard S. Donoghue, Bond Counsel, clarified that any bond proceeds would be legally required to be spent for the roads, as noted.

There was a discussion of proposed Ordinance #698 which will place the bond issue before the voters, for three million dollars (\$3,000,000), repayable with property tax revenue. There was a discussion that the desired payback would be set at 15 years. The Council wishes these Road Improvements to be twenty-year roads. There is an assumption that the city might get an interest rate of 4.9%. City Manager Nickel disseminated a new projected 15 year Amortization Schedule; it is Exhibit 'B' to these meeting minutes. The bonds would cost 4.5 million over the 15 years.

Mayor Brugger discussed some 'Myths' that needed to be 'dispelled':

1.) It is a myth that if the bond election fails on November 8, 2016, the city cannot go out for bonds again for three years. This is false.

2.) It is a myth that if the bond election passes on November 8, 2016 that the city would be required to issue this debt immediately. This is false. The City could issue later, and probably will want to get final confirmation on what (if any) grant funds may be awarded to the City for this project before selling these bonds.

There was a brief discussion regarding the maximum allowed maturity rate. The maximum allowed is 40 years, however, the City can reduce this to 25 years if they desire.

Mayor Brugger read the Section 8. Proposition wording for the ballots from proposed Ord. 698.

8. PROPOSITION. At the election, the following BOND PROPOSITION shall be submitted in accordance with law:

PROPOSITION

Shall the City Council of the City of Granite Shoals, Texas, be authorized to issue the bonds of the City, in one or more series or issues, in the aggregate principal amount of \$3,000,000 with the bonds of each such series or issues, respectively, to mature serially within not to exceed forty years from their date, and to be sold at such prices and bear interest at such rates, as shall be determined within the discretion of the City Council, in accordance with law at the time of issuance, for the purpose of constructing, improving, extending, expanding, upgrading and/or developing Phillips Ranch Road, Prairie Creek Road and Valley View Lane, including related utility relocation, drainage, sidewalks, traffic safety and operational improvements, the purchase or acquisition of any necessary rights-of way and easements and other related costs; and shall said City Council be authorized to levy and cause to be assessed and collected annual ad valorem taxes on all taxable property in the City in an amount sufficient to pay the annual interest on said bonds and provide a sinking fund to pay the bonds at maturity?

Then Mayor Brugger read into the record, section 9. Official Ballots, from proposed Ordinance #698.

9. OFFICIAL BALLOTS. Voting in the election for the proposition shall be by the use of electronic or paper ballots which shall show the proposition in both English and Spanish and which shall conform to the requirements of federal law, including the Help America Vote Act and the Texas Election Code, as amended. The official ballots for the election shall be prepared so as to permit the electors to vote "FOR" or "AGAINST" the PROPOSITION set forth above with the ballots to contain such provision, markings and language as required by law, and with such PROPOSITION to be expressed substantially as follows:

PROPOSITION

FOR [] THE ISSUANCE OF \$3,000,000 TAX BONDS FOR IMPROVEMENTS
 TO PHILLIPS RANCH ROAD, PRAIRIE CREEK ROAD AND VALLEY
 VIEW LANE

AGAINST []

(The original draft had 'Valley View Road' which is incorrect. After passage of the Ordinance, Mr. Donoghue, Bond Counsel, corrected this scrivener's error to read 'Valley View Lane', Mayor Brugger signed the corrected version).

City Council members and members of the audience (primarily the Utley Family) discussed the proposed bond/proposed Ordinance. Council asked if Mr. Utley and his group if they were satisfied with the wording that they were hearing tonight. The Utleys noted that they understand that there are legal safeguards in place to prevent this money from being diverted from the road project.

Council Member Eric Tanner motioned, and Council Member King seconded, to approve, as presented, Ordinance #698.

Mayor Brugger read the Ordinance caption:

ORDINANCE No. 698

ORDINANCE CALLING A BOND ELECTION FOR NOVEMBER 8, 2016; MAKING PROVISIONS FOR CONDUCTING THE ELECTION AND OTHER MATTERS RELATED TO SUCH ELECTION

Motion carried by a vote of 5-2. Ayes: Hisey, King, Tanner, Holland and Morren. Noes: Brugger and Dillard.

Mayor Brugger and MPT Dillard noted that they would have been more comfortable with calling this election in May instead of November, however, they totally support the bonds, the Road Project and the application for USDA grant funds.

4. Review information from City Manager Nickel, discuss and consider the proposed modifications made to the proposed City operating budget, the proposed ad valorem tax rate for Granite Shoals for Fiscal Year 2016-2017, and the schedule of upcoming Public Hearings on budget and tax rate, respectively, as discussed in the August 15, 2016 Special Called City Council meeting. *(City Manager Ken Nickel/Finance Director Wendy Gholson)*

Mayor Brugger introduced the item and City Manager Nickel presented the staff report. There were no citizen comments.

City Manager Nickel explained that tomorrow night the Council will hold their first Public Hearing on the budget and tax rate. The staff has been asked to take a cent off the 'Not To Exceed' rate to buy down the I&S fund. There is a request to delay the hiring of the new Parks person for 6 months. This is a very tight budget. We will still propose to add 7 new part-time fire fighters. We will add \$25,000 for the other half of the Spartan Fire Engine that we are purchasing from Travis ESD #5 for a total of \$50,000.

This tax rate will increase the taxes by \$16.48 per year for a home valued at \$100,000.

It was noted that there are no special capital purchases in the General Fund. There are no Police vehicles requested in this budget.

There was a short discussion of purchasing the Police Department vehicles such as the Chevy Tahoes, instead of smaller vehicles. City Manager Nickel explained that the Tahoes are more practical because they are more sturdy, and able to handle the rougher roads that we have, and, they can be 're-purposed' to other departments when they are no longer able to be First Responder vehicles. If the City purchases Tahoes for the Police Department, eventually when they have too many miles on them to be trustworthy for First Responders/intense Public Safety use, they can be 'handed down' to the Parks or Street Department. The Tahoes can carry supplies and equipment such as would be needed for the Parks or Streets Department, or the Code Compliance personnel.

The Council members discussed and clarified that if a citizen has their taxes 'Frozen' because they are older than 65 or disabled, this tax increase will not affect them.

There was a short discussion of how 'minimum' this budget is. There is no wiggle room for contingencies. There was a discussion of the goal that city officials have been working toward for several years to increase the operating reserve; ideally to a 90-day level. There was also a discussion about the possibility that failing to make progress toward our goals might cause our Standards and Poor rating to go down.

There was a short discussion of adding back some of the items most recently cut, and to bring back a budget / tax rate tomorrow night for the Public Hearing with two versions, one this 'minimum' budget and one that City Manager Nickel would feel had more room for contingency.

Finance Director Gholson agreed to come back tomorrow night with two versions and prepared to make a presentation on the alternatives discussed tonight.

Mayor Brugger announced the dates for the upcoming Public Hearings and that September 16th would be the Special Meeting when the budget and tax rate would be considered.

Jim Davant, 310 S. Shorewood, Granite Shoals, TX: Noted that the waterfront properties are usually valued at more than \$100,000. They pay more of the tax burden.

5. **Future Meetings and Agenda Items**
 - a.) Review Agenda Calendar
 - b.) Identification of future agenda items

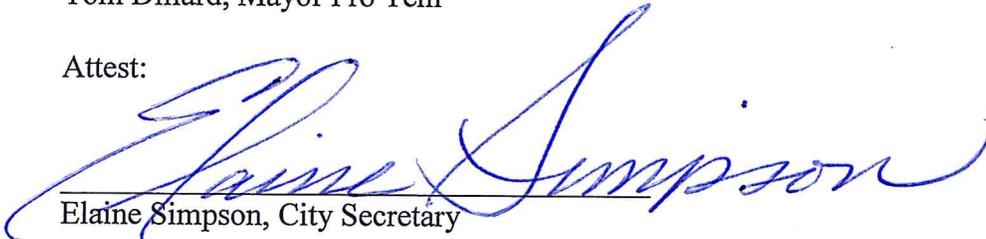
6. **Adjournment**

With no other items on the agenda and no objections, Mayor Brugger adjourned the Special Called Meeting at 7:13 PM.

Approved by City Council on the 27th of September, 2016

By: 
Tom Dillard, Mayor Pro Tem

Attest:


Elaine Simpson, City Secretary



August 22, 2016 Exhibit 'A' Council Mtg. Spec. Called

**Granite Shoals Citizens' Advocate
And Citizens' Advisory Group**

2208 Belaire Drive
Granite Shoals, Texas 78654
Ph. 512-234-5348

Michael Steenbergen, Advocate
John Utley, President

6:00 PM Monday, August 22, 2016

Granite Shoals Texas City Council Special Meeting
2221 N. Phillips Ranch Road
Granite Shoals Texas 78654

REFERENCE: Public Comments - Council Behavior Towards Michael Steenbergen

Honorable Mayor Bruger, Honorable Council Members, City Manager Nickel, Secretary Simpson:

For three and ½ months I have continuously worked on projects to benefit the City of Granite Shoals. During that time I have been to numerous city council and various committee meetings. I have repeatedly spoken to the issues and I have presented a few new and unique ideas.

Regretfully during that same period some of the city council members sitting here in this room today have repeatedly mentioned the last election and politics. When I speak about roads or bonds I am accused of simply trying to get attention for myself by council members, here in public during the meetings. When I oppose the way an ordinance is written I am accused of political vendettas and being a sore loser, here in public during the meetings. When I organize large groups of voters to express their opinions I am accused of simply trying to get myself elected, here in public during the meetings. When I communicate to voters in the public forums I am repeatedly accused of falsehoods here in public during the meetings. When I answer questions some council members actually turn their chairs away from me giving me their back, here in public during the meetings.

It has been over 100 days since the election and I don't mention it when I speak. This is the only day I will speak to the matter because it does not help our city in anyway to dwell on the past and especially to dwell on political conflicts. However, some of the city council members have mentioned my participation in the election and my current motivations more than a dozen times during that same 100 days period including in the last few weeks. I believe it is more than obvious who cannot get past the last election and it is certainly not me. This behavior and the repeated personal attacks and comments outside the scope of city legislation and community issues is illegal and against rule 362 that governs these meetings. The Mayor sadly has not enforced this law. In fact he has led Council Members in violating this law and attacking me at

Founding Members of the Granite Shoals Citizens' Advisory Group
John Utley | Linda Mueller Utley | Lacy Mortenson, Jr. | Michael Steenbergen



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Michael Steenbergen, Advocate
John Utley, President

several meetings. For the record I am stating these are criminal acts and the proof is undeniably recorded mechanically by both the City and me. Understand clearly, this behavior ends today. The next time Rule 362 is broken and I am personally attacked I will simply file a police report requesting arrest warrants. And, again for the record, I offer no legal release for the previous criminal acts that have been recorded in public already. Further, to be addressed officially by a sitting council member in written communication as "Moron" with a capital "M" instead of my given Christian name "Michael" is so far beneath the dignity of the office of City Council I am appalled. The pettiness and childishness of calling me names in formal Council communications and addressing a voter with such disrespect is actually beyond belief and very representative of the latitude the Council exercises in dealing with City residents. Once again, understand clearly, continued behavior like this will result in the immediate and appropriate response by the voters of Granite Shoals.

Finally, I keep getting accused of being politically active for my own profit and gain. Since I first spoke up for the citizens of Granite Shoals, I have spent endless hours in committee meetings and council meetings on top of my 5 and 6 day work week. Then when I get home, I try to let the people know what I have learned which is an hour or two every day [processing sound recordings, writing explanations, posting minutes and agendas]. Then I read and research on the topics, budget, ordinances, code, and citizen complaints. I meet citizens a couple of times a week to listen to questions they have asked me to help with...I haven't really noticed any profit or gain other than the extreme satisfaction of knowing I have helped my fellow citizens.

I close with this thought. My last year of high school I won two full academic scholarships, one to Baylor and one to the University of Texas. My IQ scores were so high the school counselors would not reveal them for fear of affecting my development. I scored perfect in the Mathematics portion of the ACT College Entrance Examination, not missing a single question. I was an award winning speaker and debater all over the State of Texas, taking home dozens of trophies during my scholastic career. Speaking directly to the City Council: I am an intellectual and I am proud of it. I am politically active and I am proud of it. I have no doubts about my abilities and my motivations, but as a government council I certainly have doubts about yours. Thank you.

Sincerely,

Michael L Steenbergen, Granite Shoals Citizens' Advocate and
Executive Secretary, Granite Shoals Citizens' Advisory Group

Founding Members of the Granite Shoals Citizens' Advisory Group
John Utley | Linda Mueller Utley | Lacy Mortenson, Jr. | Michael Steenbergen

Exhibit 'B'
August 22, 2016, Granite
Shoals, TX. Spec. City Council Mtg.
minutes

BOND DEBT SERVICE

City of Granite Shoals
 \$3,000,000 General Obligation Bonds, Series 2016
 15 Year Amortization

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2017	120,000	4.900%	73,500	193,500
09/30/2018	150,000	4.900%	141,120	291,120
09/30/2019	155,000	4.900%	133,770	288,770
09/30/2020	165,000	4.900%	126,175	291,175
09/30/2021	170,000	4.900%	118,090	288,090
09/30/2022	180,000	4.900%	109,760	289,760
09/30/2023	190,000	4.900%	100,940	290,940
09/30/2024	195,000	4.900%	91,630	286,630
09/30/2025	205,000	4.900%	82,075	287,075
09/30/2026	215,000	4.900%	72,030	287,030
09/30/2027	225,000	4.900%	61,495	286,495
09/30/2028	240,000	4.900%	50,470	290,470
09/30/2029	250,000	4.900%	38,710	288,710
09/30/2030	265,000	4.900%	26,460	291,460
09/30/2031	275,000	4.900%	13,475	288,475
	3,000,000		1,239,700	4,239,700

0.*

193,500.00

38,108.00

→ 5.07767397921*

First year

0.*

290,000.00

38,108.00

7.60995066652*

Full year

0.*