

**OFFICIAL MINUTES OF THE CITY COUNCIL
LAGO VISTA, TEXAS
APRIL 7, 2016**

BE IT REMEMBERED that on the 7th day of April, A.D., 2016, the City Council held a Special Called Meeting at 6:31 p.m. at K-Oaks Clubhouse, 7000 Bar-K Ranch Road, Lago Vista, Texas, City Hall, 5803 Thunderbird, in said City, there being present and acting the following:

CALL TO ORDER, CALL OF ROLL and PLEDGE OF ALLEGIENCE

| | | | |
|-----------------|----------------|------------------------|-------------------------------|
| Dale Mitchell | Mayor | Melissa Byrne Vossmer | City Manager |
| Ron Smith | Mayor Pro Tem | Danny Smith | Police Chief |
| Rich Raley | Council Member | David Harrell | Development Services Director |
| Ed Tidwell | Council Member | Sandra Barton | City Secretary |
| Stephanie Smith | Council Member | Starr Lockwood | Finance Director |
| Rodney Cox | Council Member | Barbara Boulware-Wells | City Attorney |
| Jason Shoumaker | Council Member | Chip Hamilton | Interim Golf Manager |

Mayor Dale Mitchell called the Special Called Meeting to order and recognized that all Council Members were present and led the Pledge of Allegiance.

The numbering below tracks that of the agenda, whereas the actual order of consideration may have varied.

PUBLIC COMMENTS

Jessica and Kasey Noack, 21505 Penn Cove, Lago Vista, appeared to request that the Council to consider allowing chickens in Lago Vista.

Larry Levy, 13710 Vinery Lane, Cypress, TX appeared to address the Council regarding the City assisting with a Development Plan, a separating strip and the American Girl Grill discrepancy. Mayor Mitchell advised Mr. Levy that the City attorneys are speaking directly with the American Girl Grill attorneys.

Seth Bershodsky, 7701 Turnback Ledge Trail, Lago Vista, asked Council is there were any plans to sell the golf course and if there is an exit strategy if it continues to lose money.

PUBLIC HEARING

1. Public Hearing concerning the proposed 2030 Lago Vista Comprehensive Plan.

Mayor Mitchell introduced the Comprehensive Plan Advisory Committee members present at this meeting.

Dan Sefco, Freese and Nichols provided an oral presentation of the proposed Comprehensive Plan and addressed questions from Council.

Carolina Hale, requested that hard copies of the proposed Comprehensive Plan be placed at City Hall and the Library. Staff will place copies at these locations.

George Pond, 6105 Camille Court said that he liked the protection of the Night Sky that was in the plan. He also stated that he would Tesserera to be conscious of the lighting in the development that would protect the Night Sky.

Joan Davis, made comments regarding Dark Skies and complimented Chief Smith and Lago Vista police department for their assistance regarding a recent incident. She also would like more security at large events.

Diana Jackson, asked if there were any plans in the Comprehensive Plan regarding the strip mall and putting a Bealls or Khol's in there.

Mayor Mitchell advised that the City is actively involved with retail recruitment through Buxton and that is one of the locations we are attempting to attract people to. The complex is for sale at this time.

2. Discussion and possible approval of ZON-1047 Conditional Use Permit.

David Harrell, provided a brief outline of the request and advised Council that the Planning and Zoning Commission recommended approval by a vote of 6-0 at their March 31, 2016 meeting.

On a motion by Rich Raley, seconded by Jason Shoumaker, the Council voted unanimously to approve the request for the ZON-1047 conditional use permit.

ADDITIONAL DISCUSSION/ACTION ITEMS – GOLF COURSE

3. Update on Highland Lakes and Lago Vista Golf Courses by Interim Golf Manager Chip Hamilton.

Melissa Byrne Vossmer, City Manager introduced Chip Hamilton, Interim Golf Manager. Chip Hamilton thanked City Staff for their assistance that they have provided to him.

He stated that the City has a contract with GolfNow who acts as a booking engine for tee times and marketing service to the City for both golf courses. Tee times are also booked through LagoVista.com. There have been issues with GolfNow where the computer would offer lower prices to the public, but there is an understanding with GolfNow and we set the prices ourselves. Since that has happened, the revenues have increased by 26%. GolfNow is also donating five computers to the City in order to utilize their programs on our courses. The maintenance crew has improved the conditions of the courses.

Chip also provided updates regarding tee times, having the Lago Vista High School play at the golf courses, employee uniforms and utilizing the Marshalls.

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4. Discussion with the Golf Course Advisory Committee Concerning Operations and Future of City of Lago Vista Golf Courses.

Mayor Mitchell introduced the members of the Golf Course Advisory Committee and City Council Liaison.

Frank Robbins, Vice Chairman provided the Council with an update of their efforts and accomplishments. He stated that the Golf Course Advisory Committee and the City Council had a joint meeting in January and the Committee submitted a list of recommendations and Council accepted those recommendations.

Frank also stated based on their analysis with 2013 information that the City accrues an additional \$173,000 in value to the general fund from taxes based on the way property is appraised on the golf courses.

Councilwoman Smith asked Frank Robbins about the marketing plan and offered suggestions regarding making different membership package options.

David Fraza, commented on the improvements to the golf courses.

5. Discussion and possible action concerning Ordinance No. 2016-04-07-01; An Ordinance adopting a Budget Amendment/Golf Course Transfer from Utility Fund.

Mayor Pro Tem Ron Smith presented a power point for the Council and provided an oral overview and background of City debt and money previously transferred to the golf courses. Mayor Pro Tem stated that what he is attempting to do is to put the \$340,000 out of golf and put back in the utility side to pay the debt. He thinks that water needs to pay for water and golf needs to pay for golf.

The Council discussed and allowed comments from citizens.

Mayor Mitchell stated “that in previous years the golf course fund was showing the budget as revenues equaling expenses, then we would go through the year and find out that we were running at a deficit and amend the budget at the end of the year by taking money out of the general fund and covering the deficit in the golf course fund. During budget preparation last fall, it was recognized that we were probably going to be operating in a deficit. So it was recognized that we should perhaps supplement it and be more transparent to the public showing that we might anticipate a \$340,000 deficit. He added that our auditor said, rather than show it from the general fund, which is primarily ad valorem taxes that we collect, it would be better to have it come from the utility fund because the utility fund is looked at as an enterprise fund just like the golf courses are looked at, as an enterprise fund. So it was the recommendation of the auditor that we take the money from the utility fund and move it over. There has been no funds moved from the utility fund during the course of this year. “

Randy Kruger said regarding the debt on the Otwell house, it was fully anticipated that we would sell the house in less than a year, maybe a year and a half. He believes that the funding should come from the general fund.

On a motion by Mayor Pro Tem Smith, seconded by Councilwoman Smith, the Council voted 2 ayes (Ron Smith and Stephanie Smith) and 5 nays (Jason Shoumaker, Rich Raley, Ed Tidwell, Dale Mitchell and Rodney Cox) to approve Ordinance No. 2016-04-07-01 as presented. Motion failed.

6. Discussion and Possible Action on Making a Modification to the Utility Bill to reflect Funding in the Utility Fund in Support of the Golf Courses.

On a motion by Jason Shoumaker, seconded by Ed Tidwell, the Council voted 5 ayes (Rich Raley, Jason Shoumaker, Ed Tidwell, Mayor Mitchell and Rodney Cox) and 2 nays (Ron Smith and Stephanie Smith) to un-table this item. Motion passed.

On a motion by Jason Shoumaker, seconded by Ed Tidwell, the Council voted 5 ayes (Rich Raley, Jason Shoumaker, Ed Tidwell, Mayor Mitchell and Rodney Cox) and 2 nays (Ron Smith and Stephanie Smith) to remove this item from the agenda. Motion passed.

7. Discussion and Possible Action Concerning a Proposed Memorandum of Understanding with Jim Otwell for Highland Lakes Golf Course and Restaurant / Hotel & Conference Center.

On a motion by Rodney Cox, seconded by Rich Raley, the Council voted unanimously to un-table item #7. Motion passed.

On a motion Councilman Jason Shoumaker, seconded by Rodney Cox, the Council voted unanimously to withdraw item from the agenda.

Mayor Mitchell addressed Council and citizens with an itemized listing of how this agenda item was brought to the March 3 agenda.

8. Discussion and Possible Action Concerning a Proposed Memorandum of Understanding for the Relocation of the Highland Lakes Golf Course Temporary Pro Shop to the Clubhouse Building Only.

Jason Shoumaker, motioned to approved the proposed Memorandum of Understanding for the relocation of the Highland Lakes Golf Course Temporary Pro Shop to the Clubhouse Building only. Motion seconded by Rodney Cox.

The Council discussed, and heard comments from the City Attorney, Barbara Boulware-Wells who stated that items can be removed, substituted or added during the discussion.

Councilman Cox asked Frank Robbins if he testified earlier that the Golf Course Advisory Committee was for moving the Pro Shop back into that facility. Frank Robbins answered "yes".

Jim Otwell stated that the land swap paperwork was never signed. Melissa Vossmer stated that it was approved by Council in February and it was shared with him and it was ready for him to execute.

Lois Kruger, expressed her concerns regarding her support for Mr. Otwell in the past to open a restaurant, but then he closed it down. So what if he opens his restaurant again and we move the Pro Shop in there and he closes it down again, where are we taking the Pro Shop. Mayor Pro Tem asked Mr. Otwell if he planned to continue his approved Planned Development as is. Mr. Otwell responded with that the intent was to finish the hotel as the PDD was designed to do. Mr. Otwell stated that he was not going to spend another 5 or 6 million dollars in addition to what he has already spent to build this hotel.

Randy Kruger said that he thinks we should be very cautious in going forward with this and letting Mr. Otwell have the beer and wine license. He provided some history and information regarding the Bistro that Mr. Otwell previously had open and we gave up our beer and wine license then and the issues that ensued.

Bill McDaniel spoke about his concerns about Mr. Otwell not being able to sell beer on the golf course. He also asked about the length of the lease.

Jane Brunslick asked why we have to have this particular MOU to get started.

Larry Russell expressed his concerns with Councilman Shoumaker's whole objective on this and he has a motive with the land swap and wants it designated for something.

Curtis Woodlock expressed that he thinks we should get a solid concrete agreement when both sides can work it out before deciding on anything.

Richard Bohn addressed the Council and said they were duly elected to represent the citizens of Lago Vista without conflict of interests. He stated if we did the property swap with the cart barn and putting green, when the lease is taken away from us we are going to have to build a cart barn and to build a cart barn we will have to buy property.

Jason Shoumaker withdrew first motion and amended his motion to remove item #1 which does not relocate the Pro Shop to Alex's, remove item #3 which consists of the land swap, maintain #2 and keep #4, improving signage to the golf course. This motion was seconded by Rich Raley. Voting in favor; Rodney Cox, Jason Shoumaker and Rich Raley. Voting in opposition; Ed Tidwell, Ron Smith, Stephanie Smith and Mayor Dale Mitchell. Motion did not pass.

9. Discussion Concerning Operations of the Lago Vista Golf Course Restaurant.

Mayor Dale Mitchell motioned to un-table this item, seconded by Councilman Ed Tidwell. Voting in favor; Jason Shoumaker, Rich Raley, Ed Tidwell, Mayor Mitchell, Ron Smith and Rodney Cox. Not voting; Stephanie Smith. Motion passed.

Melissa Byrne Vossmer, City Manager provided a brief overview of the progress of the restaurant operation including challenges in the kitchen area and addressed questions from Council. She stated that the restaurant has been well received. She stated we have no recommendation but wanted to update Council. No action taken.

This items taken out of order

11. Discussion and direction concerning establishing Economic Development Incentives.

Melissa Byrne Vossmer provided some brief background information. Councilmembers Jason Shoumaker and Ed Tidwell volunteered to meet with the City Manager to discuss and bring back a recommendation for Council to take action on.

FUTURE MEETINGS

12. Consider schedule and items for future Council meetings.

Councilman Jason Shoumaker requested an agenda item regarding chickens on the April 21, City Council meeting.

Mayor Dale Mitchell suggested a work session on the Comprehensive Plan tentatively scheduled for Saturday April 16, at 11:30 a.m.

Councilman Rich Raley requested an item regarding an Ordinance for on premise signage.

Councilman Ed Tidwell requested the MOU discussion be placed on a work session.

EXECUTIVE SESSION

13. At 11:25 p.m. the Council convened into Executive Session pursuant to Sections 551.071 (Advice of Counsel), 551.072 (Real Property), 551,074 (Personnel), Texas Government Code and Section 1.05 Texas Disciplinary Rules of Professional Conduct regarding:

1. Consultation with legal counsel regarding real property and possible issues and questions related to acquisition, sale or lease.
2. Consultation with legal counsel regarding past and future contracts with vendor for Lago Vista Golf Course restaurant.
3. Consultation with legal counsel regarding Highland Lakes PDD, Highland Lakes Golf Course and possible issues and questions related to acquisition, sale or lease of property thereunder.
4. Consultation with Legal Counsel regarding alternative economic development programs or incentives for new business concerns.

5. Consideration of applicants for appointment to the CAPMETRO Study Committee.

14. At 12:23 a.m. the Council reconvened from Executive Session into open session to take action, as deemed appropriate in City Council's discretion, regarding:

1. Consultation with legal counsel regarding real property and possible issues and questions related to acquisition, sale or lease.

No action taken.

2. Consultation with legal counsel regarding past and future contracts with vendor for Lago Vista Golf Course restaurant.

On a motion by Councilman Jason Shoumaker, seconded by Rodney Cox, the Council voted unanimously to approve the motion that action be taken as discussed in Executive Session. Motion passed.

3. Consultation with legal counsel regarding Highland Lakes PDD, Highland Lakes Golf Course and possible issues and questions related to acquisition, sale or lease of property thereunder.

No action taken.

4. Consultation with Legal Counsel regarding alternative economic development programs or incentives for new business concerns.

No action taken

5. Consideration of applicants for appointment to the CAPMETRO Study Committee.

Action taken as shown below.

ACTION ITEMS

10. Discussion and action concerning Resolution No. 16-1646 by the City Council of the City of Lago Vista, Texas Appointing Members and a Council Liaison to the CAPMetro Study Committee.

On a motion by Mayor Dale Mitchell, seconded by Rodney Cox, the Council voted unanimously to accept the following individuals that applied for the CAPMetro Study Committee: Karen Bowling, Ross Dewhurst, Caroline Hale, Brigham Seaver and Gary Zaleski. These five will join Clive Rutherford and Darren Webb that were already members. Councilman Ed Tidwell volunteered to serve as Council Liaison.

ADJOURNMENT

Mayor Dale Mitchell adjourned the meeting at 12:27 a.m.



Respectfully submitted,

Dale Mitchell, Mayor

ATTEST:

Sandra Barton, City Secretary

On a motion by Councilwoman Smith, seconded by Mayor Mitchell the above and foregoing instrument was passed and approved this 2nd day of November, 2017.