

REGULAR CALLED MEETING MINUTES  
OF THE LLANO CITY COUNCIL  
MONDAY  
APRIL 18, 2011  
5:30 P.M.

CALL TO ORDER - Mayor Mike Reagor called the meeting to order at 5:47 p.m. with the following Council members present: J.R. Decker, Tom Dalrymple, Jeanne Puryear, Mike Hazel and Gordon Hefner

PLEDGE OF ALLEGIANCE – Led by Councilman J.R. Decker

PUBLIC COMMENTS - None

EXECUTIVE ORDER – Stage 1 Response – Mild Water Shortage Conditions – Read by Mayor Reagor.

DISCUSSION/ACTION

NEW BUSINESS

1. Discuss and consider approval of Regular City Council Meeting Minutes of April 04, 2011. A motion was made by Mayor Pro Tem Mike Hazel and seconded by Councilman J.R. Decker to approve the Regular Called Meeting Minutes of April 18, 2011. With there being no further discussion, this motion passed.
2. Discuss and consider Financial Policy Resolution 2011-04-18 related to sinking fund. City Manager Finley deGraffenried advised Council that this Resolution allows an account to be set up for a Council-restricted sinking fund. It gives the City Council latitude on where to spend the funds. Mayor Mike Reagor advised that this Resolution provides a thoughtful process for saving money. A motion was made by Councilman J.R. Decker and seconded by Councilwoman Jeanne Puryear to approve this Resolution. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.
3. Discuss and consider Resolution 2011-04-19 transferring available funds to Council-restricted sinking fund. A motion was made by Councilman Tom Dalrymple and seconded by Councilwoman Jeanne Puryear to transfer funds from the general fund into the Council-restricted sinking fund. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.
4. Discuss and consider Readiness to Serve additional funding sources for the Council-restricted sinking fund. A motion was made by Councilman Tom Dalrymple and seconded by Councilman J.R. Decker to increase residential base charges by \$1.00 to electric, water, sewer, and garbage rates, and to include Departmental Line Items in the Fiscal Year 2012 Operating Budget. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.
5. Discuss and consider request from LADI for funding of Drug Intervention Programs. A motion was made by Councilman J.R. Decker and seconded by Councilwoman Jeanne Puryear to approve \$1,500.00 in funding to the Llano Alliance for Drug Intervention. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.
6. Discuss and consider Ordinance No. 1182 stop sign at Sarah Circle and Village Lane. A motion was made by Councilwoman Jeanne Puryear and seconded by Mayor Pro Tem Mike Hazel to approve Ordinance No. 1182. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.
7. Discuss and consider Public Utility Commission access line rates. The Llano City Council took no action on this item.
8. Discussion and orientation on City of Llano Drought Contingency and flashboard policy. City Manager Finley deGraffenried made presentation to the City Council in regards to the drought situation in Llano County and

provided information to the Council regarding the placement of flash boards on the Llano Dam and possible placement of flashboards on the Robinson Park Dam.

9. Discuss and consider Red Top Jail funding Agreement with Texas Historical Commission. Mrs. Sherry Zoch of the group, Friends of the Red Top Jail, made presentation to the Council and answered questions. A motion was made by Councilman Tom Dalrymple and seconded by Councilman J.R. Decker to authorize Mayor Mike Reagor to sign the funding agreement with the Texas Historical Commission. Mayor Reagor asked for additional discussion. With there being no further discussion, this motion passed.

COUNCIL AND STAFF REPORTS -

City Manager Finley deGraffenried

CDBG Water Line - Bids were opened on Thursday for the north side water line project funded by a Community Development Block Grant

88 Acres Irrigation - Options for irrigation water for the 88 acres and soccer fields have been reviewed.

Grant Meeting - Staff met with the Ruiz Brothers of Community Development Management co., Inc., On April 6<sup>th</sup> to discuss pending City projects including the pond lining and swimming pool.

GIS - Brian Shirley has requested staff training dates for the City's GIS program during the last week of April.

Siren Testing - Staff attempted to conduct siren testing on April 6<sup>th</sup>. Chief Schilling is coordinating the trouble shooting of the system.

Airport Hangars - Staff has sent TxDOT Aviation an official request to utilize Non-Primary Federal Aviation Entitlement Funds for use to construct and rehab 4 to 8 box hangars.

ADJOURNMENT - With there being no further business, the meeting was adjourned at 7:15 p.m.

ATTEST:

*Kerry Williams*  
Kerry Williams, City Secretary



*Mike Reagor*  
Mike Reagor, Mayor

5-2-2011  
Date

## Resolution No. 2011-04-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LLANO, TEXAS DESIGNATING FUNDS TO BE INCLUDED IN THE COUNCIL RESTRICTED SINKING FUND UPON REVIEW OF THE FISCAL YEAR 2010 INDEPENDENT ANNUAL FINANCIAL REPORT.

WHEREAS, The City of Llano City Council passed Resolution No. 2011-04-18 establishing funding sources for a Council Restricted Sinking Fund, and

WHEREAS, Funds designated as Unrestricted Net Assets for the Utility Fund and the General Fund Balance by the City of Llano's 2010 Independent Financial Report exceeded twenty-five percent (25%) of the City's 2011 Operating Budget.

NOW THEREFORE, BE IT RESOLVED, that two hundred forty thousand nine hundred thirty-six dollars (\$240, 936.00) be designated for inclusion in the Council Restricted Sinking Fund.

PASSED AND APPROVED, This 18<sup>th</sup> day of April, 2011,



*Mike Reagor*  
Mike Reagor, Mayor

ATTEST:

*Kerry Williams*  
Kerry Williams, TRMC  
City Secretary

Resolution No. 2011-04-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LLANO, TEXAS CREATING A COUNCIL RESTRICTED SINKING FUND; ESTABLISHING GUIDELINES AND POLICIES FOR EXPENDITURES; SETTING PRIORITIES FOR PROJECT FUNDING; ESTABLISHING SOURCES FOR FUNDING; AND REQUIRING A CAPITAL IMPROVEMENT PROGRAM BE ESTABLISHED AND APPROVED.

WHEREAS, The City of Llano City Council is responsible for the health, safety and welfare of its citizens and the stewardship of City infrastructure and equipment, and

WHEREAS, in performance of their responsibilities, the City Council of the City of Llano, Texas seeks to provide long term assurance to the citizens that safe utilities are maintained and improved, and

WHEREAS, by planning and implementing a Capital Improvement Program and a Council Restricted Sinking Fund, City Council can better plan and anticipate needs, and

WHEREAS, it is the goal of the City Council to implement planning and funding programs to minimize disruption to operational budgets and needs without creating an undue hardship on the Citizens.

NOW THEREFORE, BE IT RESOLVED, that the following Policy be enacted by the City Council of the City of Llano:

**Section 1. CREATION OF COUNCIL RESTRICTED SINKING FUND ACCOUNT**

The City Council of the City of Llano, Texas hereby directs that a fund account be established for the purposes outlined within this Policy which shall be specifically designated for use by action of the City Council.

**Section 2. CAPITAL IMPROVEMENT PROGRAM**

The City Council of the City of Llano, Texas hereby directs that a Capital Improvement Program be implemented for the identification and financing of major improvements to the City's infrastructure and Public Facilities. The Capital Improvement Program shall be made part of the City's Comprehensive Plan, and shall be reviewed annually during the City's budget process.

**Section 3. FUNDING**

The Council Restricted Sinking Fund shall be funded as designated by City Council, however shall include any funds in excess of 25% of the current Operating Budget designated as Unrestricted Net Assets for the Utility Fund and the General Fund Balance by the City's annual independent financial audit.

City Council may designate additional funds be included in the Council Restricted Sinking Fund including, but not limited to, portions of utility payments or readiness to serve charges; budgeted operating expense lines; portions of ad valorem taxes; proceeds from franchise revenues; or other unbudgeted, unplanned revenue received.

**Section 4. PROJECT IDENTIFICATION AND PRIORITIES**

Prior to expenditure of funds from the Council Restricted Sinking Fund, City Council shall consider and prioritize projects based on the following criteria:

1. Projects that meet regulatory/safety needs or requirements.
2. Projects that improve the operational capacity or efficiency of utilities; including major maintenance, filter replacements, storage tank upgrades, distribution or collection extensions or upgrades; intersection or traffic improvements; or other utility improvements as deemed necessary or desirable by City Council.
3. Projects that by implementation result in savings of dollars, resources or personnel costs including, but not limited to, water saving projects, AMR technology, GIS technology.
4. Projects that improve and enhance public facilities including, but not limited to, park facilities, pool, police facilities, public meeting facilities.
5. Other projects as deemed beneficial for the public good.

Projects not generally eligible for funding from the Council Restricted Sinking Fund include:

1. Maintenance items less than \$100,000.00
2. Fleet replacement
3. Maintenance items that are generally reoccurring which should be anticipated and budgeted.

**Section 5. AMENDMENTS**

This policy may be amended from time to time as needed by action of the City of Llano, City Council. Project funding and interpretation of this Policy is subject to action of the City Council.

PASSED AND APPROVED, This 18<sup>th</sup> Day of April, 2011,



*Mike Reagor*  
Mike Reagor, Mayor

ATTEST

*Kerry Williams*  
Kerry Williams, TRMC  
City Secretary