



# CITY OF SUNRISE BEACH VILLAGE

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Tommy Martin, Mayor  
Fred Butler, Mayor pro tem  
Hank Gath, Councilman  
Dan Gower, Councilman  
Mike Byrd, Councilman  
Ruth Stanley, Councilman

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## Stated Council Meeting Minutes

A stated meeting of the above-named council was held on March 18, 2021 at 2:30 p.m. at the Civic Center, 124 Sunrise Drive, Sunrise Beach Village, Texas 78643-9283.

### 1. **Call to Order and Establishment of Quorum.**

Mayor Martin called the meeting to order at 2:30 p.m. and stated that a full quorum was present. Council members present were Fred Butler, Mike Byrd, Hank Gath, Dan Gower and Ruth Stanley. There were three (3) audience attendee's present. Also, in attendance was City Secretary Linda Wendling, Code Enforcement Officer Danyelle Morgan, Comptroller Sandy Penshorn and Officer Armbruster.

### 2. **Citizens to be heard:**

- There were no citizens to be heard.

### 3. **Reconsideration, discussion, and/or possible action on property owner request by Larry McLellan, Unit 4, Lots 542-544, currently known as 815 Sandy Mountain, for installation of a bridge.** (Attachment A)

Mayor Martin introduced this item by stating that the attorneys from both sides have recently contacted City Hall and requested that this item be postponed until the May 2021 stated council meeting to allow for further discussions between the two parties. Mayor Martin reiterated that this item will be placed on the May 20, 2021 council agenda if the parties request same.

### 4. **Consent Items:**

- Minutes of the Stated Meeting of January 21, 2021; and,**
- Financial Reports for the month of January 2021; and,**
- Financial Reports for the month of February 2021; and,**
- Ad Valorem Tax Collection report for the month of January 2021; and,**
- Ad Valorem Tax Collection report for the month of February 2021.**

(Attachment B – E) Mayor Martin introduced the consent items by providing review of each bulleted item. **a.) Minutes for January 21, 2021** – Mayor Martin inquired if there were any comments or suggested changes to the minutes and received none. **b.) Financial Reports for the month of January 2021** – Mayor Martin introduced the January Financial Report by stating that Mrs. Remore reviewed and audited both month's activity and reported back that all the entries are correct and accurately reflect the financial activity for both January and February. **c.) Financial Reports for the month of February 2021** – (Referenced above). **d.) Ad Valorem Tax report for the month of January 2021** – Mayor Martin introduced this item addressing the January and February Ad Valorem Report simultaneously and stated that as of the end of February the City was at a ninety-four percent (94%) collection rate so we are doing well in that regard. **e.) Ad Valorem Tax report for the month of February 2021** – Referenced above with the January Ad Valorem report. Upon receiving no comments on the consent items, Mayor Martin requested a motion.

Councilmember Gower moved to approve the consent items as presented. Councilmember Byrd seconded the motion. The motion carried by unanimous vote.

**5. Discussion and/or possible action on Resolution 252; authorizing hiring of bond counsel.** (Attachment F) Mayor Martin introduced Resolution 252 by stating that the purpose of this item is to authorize the Mayor to proceed with the necessary procedures and processes of hiring bond counsel. Mayor Martin then introduced Mr. Gary Kimbell and Mr. David Mendez of Specialized Public Finance, Inc., to the meeting members and guests stating that they are present this afternoon to counsel us on the purchasing, procedures, requirements and responsibilities on the City's bonds and provided the floor to Mr. Kimbell.

{\* **Agenda Order** – Speaker Kimbell began providing explanation of the procedures that are required with Municipal bonds, their firms' responsibilities and why a knowledgeable bond counsel is required to ensure everything is accomplished correctly, legally and properly finalized with the Attorney General's Office. Mr. Kimbell then discussed his firm's fees that are commensurate with current industry standards, there will also be a two-thousand-dollar fee (\$2,000.00 fee) from the Attorney General's Office, and that their firm will wait and watch to ensure that the City will get the best prices, while assisting the City throughout every step of the process and their legal counsel will be handling all legal procedures until this endeavor is properly concluded at the Attorney General's Office. Councilmember Butler confirmed that Specialized Public Finance, Inc. will take responsibility for every legal issue throughout this endeavor with Mr. Kimbell affirming that they will be responsible for the legal issues and assisting Council with anything that arises, but he does not expect any problems to arise.

The topics of Ordinance 374 and Resolution 252 were discussed in unison at this time, moving back and forth between items and intermingling the presentation. However, after much real-time discussion and explanation, the Meeting Members reverted to discuss Resolution 252 in its orderly fashion and ensured its passage before going forward with Ordinance 374.}

**5. Discussion and possible action on Resolution 252.** (Attachment F) Council and audience discussion ensued with Mr. Kimbell and Mr. Mendez responding to each question as posed. Councilmember Gower stated that he recommends moving forward with the bond process, approving the bond counsel and begin saving the City money as a result; noting the City still has considerable monies in the Interest & Sinking Fund. Mayor Martin stated that was his intention for today's council meeting and then reiterated his understanding and intent of Resolution 252. Mr. Kimbell confirmed his accurate understanding and the council members responded affirmatively in their comprehension of Resolution 252 and the logic for its prompt approval. Councilmember Butler moved to approve Resolution 252 as presented. Councilmember Gower seconded the motion. The motion carried by unanimous vote.

**6. Discussion and/or possible action on Ordinance 374; Authorizing parameters for bonds, execution of a paying agent agreement, an escrow deposit agreement and other instruments including refunding obligations for the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2011.** (Attachment G) Councilmember Butler opened this dialogue by inquiring into the methods and phases that would take place for defeasing the bonds. Mr. Kimbell described the entire process and responded to every question as posed. This discussion included but was not limited to; the amount of interest that has accrued to date, paying off the principal of the bonds, the current interest rate versus the new proposed interest rate, the clarity of a 'call date' versus a 'maturity date', a real-time change on Page 43 whereby the terminology 'defeasance' was inserted into the text, discussion on handling the current funds while the City is still in the process of this bond transition whereby the monies will temporarily be placed into an Escrow Account, and additional information of each step of the process that will occur. Mr. Kimbell then provided strategy options for the City on handling current funds during the interim, these considerations included but were not limited to; the refinancing term of a 9-year deal instead of a 15-year deal which allows them to lock in a much better interest rate, Mr. Mendez calculated that the City will earn just under a million dollars in savings, discussion of what the average payment will be, not placing any additional funds into the Interest & Sinking Fund (I&S Fund). Mr. Mendez stated that the proposal as written

would empty the I&S Fund totally. Council Members weighed that proposition very carefully but decided they would like to maintain one year's worth of payments in the I&S Fund to serve as a safety net. For the sake of clarity, Mayor Martin stated there is currently 1.4 million in the I&S Fund and confirmed with Mr. Kimbell that the Council wants to retain one year's worth of payments in the I&S Fund. Mr. Kimbell affirmed that he understood, and his follow through documents will ensure that approximately one year's worth of payments will remain in the I&S Fund as requested. In drawing the discussion to a close Mr. Kimbell outlined the exact intent of Ordinance 374 to ensure all meeting members had a clear understanding of the ordinance's intent and received an affirmative response. Mr. Kimbell also stated that once the ordinance passes it will allow the Finance Firm a six-month (6-month) period to shop for the best interest rate. The ordinance provides Mayor Martin and the Tax Assessor, Sandy Peshorn, the authority to make the financial decision(s) when the paperwork for the offering is completed. It will take their Firm a few days to recalculate the numbers and prepare the paperwork, so the ordinance does not have to be signed today but sometime next week. Councilmember Butler moved to approve Ordinance 374 as provided in real-time with the additional stipulation that we honor the discussion involving maintaining an amount equal to one year of the City's payments to remain in the I&S fund. Councilmember Gower seconded the motion. Mayor Martin alluded to the audit report and indicated that he considers the one-year's worth of funds as 'Reserve Funds' and therefore may be utilized by Council decision later. Mr. Kimbell agreed that was correct and recommended that the City stop making any additional disbursements into the I&S Fund. Mr. Kimbell defined the payment terms which consists of two (2) payments per year which is applied to the interest and one (1) payment per year that is applied to the principle; hence, only three (3) payments per year. Upon no further discussion Mayor Martin called for a vote. The motion carried by unanimous vote.

**7. Discussion on Police Report from Sunrise Beaches' Police Chief, Laurie Brock, on racial profiling report for the year 2020 and a comparative analysis report 2020.** (Attachment H) Mayor Martin noticed that the Police Chief was not present at the meeting today and Compliance Officer Morgan stated she would handle that report. Mayor Martin offered the floor to Compliance Officer Morgan who stated that the report is eight (8) pages long so instead of reviewing each incident she would respond to any questions received. Councilmember Butler inquired if this report consisted of the same information as the Chief's previous reports. Compliance Officer Morgan stated there was nothing particular to note and that the report consisted of more pages because the State now requires the report in two (2) different formats; both reports contain the exact same information, but one is formatted in percentages while the latter is formatted via a regular numbering system. Councilmember Butler moved to approve both reports as presented. Councilmember Gath seconded the motion. It was brought to the Council's attention that there were 107 different law enforcement agencies that temporarily had their licenses revoked due to incomplete and/or untimely reporting as a punishment and the Sunrise Beach Police Department retained their licensing and remained 'in compliance' throughout. The motion carried by unanimous vote.

**8. Discussion and/or possible action on approval of this year's proposed seal coating areas as recommended by Chief of Maintenance, Danyelle Morgan.** (Attachment I) Chief of Maintenance Morgan highlighted the roads that she proposed to seal coat this year. As the council members reviewed the colored, highlighted map she mentioned a few roads of particular interest. Upon receiving no additional discussion Councilmember Butler moved to approve the proposed roads as submitted. Councilmember Gath seconded the motion. The motion carried by unanimous vote.

**9. Discussion and/or possible action on appointing a new Chairman to the Planning and Zoning Board and appointing two (2) Alternate Board Members for the Planning and Zoning Board.** (Attachment J) Mayor Martin introduced this item by stating that Ms. Jean Glass has agreed to serve as Chairman for the Planning and Zoning Board (P&Z) and Max Melcher and Don Black will remain as Board members for another term. Mayor Martin stated that he spoke with Ms. Delhey and Mr. Benton whom both agreed to serve in the two (2) remaining positions as

Board Members. Mayor Martin stated that Jeff Cook and John Schwin have agreed to serve as alternates. All positions for the P&Z Board Members are for two-year terms each before requiring reappointment. Councilmember Butler moved to approve the appointments as presented. Councilmember Gath seconded the motion. The motion carried by unanimous vote.

**10. Discussion and action on Certification of Unopposed Candidates for the City of Sunrise Beach Village.** (Attachment K) Secretary Wendling read the pertinent information from the 'Certification of Unopposed Candidates' and stated that there will not be a municipal election for the City of Sunrise Beach Village on May 1, 2021 as open council positions were filled and each open position ran uncontested. Councilmember Byrd moved to accept the 'Certification of Unopposed Candidates' as presented. Councilmember Butler seconded the motion. The motion carried by unanimous vote.

**11. Discussion and action on the Order of Cancellation for the May 1st, 2021.** (Attachment L) Secretary Wendling introduced this item by stating that Election Law requires that the City Council act on this and then she will ensure it is properly filed with the Llano County Election Office and reported to the Secretary of State. Secretary Wendling read the 'Order of Cancellation' for the record and requested a motion. Councilmember Gower moved to approve the 'Order of Cancellation' as provided. Councilmember Stanley seconded the motion. The motion carried by unanimous vote.

**12. Announcements.**

- **City offices will be closed on Friday, April 2<sup>nd</sup>, in observance of Good Friday.**
- **The CCAA is hosting their annual Easter Egg hunt at McNair park on April 4<sup>th</sup> beginning at 1:00 p.m., the Easter Bunny will be present.**

Mayor Martin inquired if the park bathrooms will be repaired by the April 4<sup>th</sup> date and Code Enforcement Officer Morgan stated that the plumbing should be up and running by the end of March. Council discussion ensued and a question arose as to verification of the Easter Egg Hunt event. Secretary Wendling stated that it was simply pulled forward from last year so upon returning to the office a call will be made to CCAA President Sanders to confirm. Council requested that all announcements of same be withheld until verification.

[The following morning, March 19<sup>th</sup>, a responsive phone call was received at City Hall whereby Ms. Sanders stated that the Easter Egg Hunt will be cancelled this year due to ongoing effects and continued caution of COVID-19.]

- **April 4<sup>th</sup> is the Sunrise Service at McNair Park from 7:00 a.m. to 7:30 a.m.**

Councilmember Gower announced that this event will still take place; however, the hours have changed from 6:30 a.m. to 7:00 a.m. because the sunrise occurs earlier with the recent time change. Councilmember Gower stated he would obtain some details of the event and share them on social media in addition to providing Secretary Wendling a copy for posting.

**In addition to the Announcements:**

- Councilmember Gower stated that at this time the Memorial Day BBQ fundraising event which is hosted by the Sunrise Beach Volunteer Fire Department will still take place as usual. Mid-April is the drop-dead date whereby the board members will take into consideration the impact of active COVID cases and make a final determination at that time if it should be cancelled.

- Councilmember Gower provided additional information regarding the 'Sip & Stroll' which is hosted by the Ladies Auxiliary of the SRBVFD and stated that a final agreement has not been made yet; however, the organization is taking into consideration relocating the event to Resident Scott Olguin's home in lieu of the Civic Center. That event is still a work in progress and City Hall will be informed upon a final decision.

**13. Adjournment.**

The meeting adjourned at 3:35 p.m.

*/s/ Linda A. Wendling*

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Linda A. Wendling, City Secretary

*March 2021*

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Date