

**LEWISVILLE CITY COUNCIL**

**CALLED-SPECIAL SESSION**

**SEPTEMBER 29, 2008**

**Present:**

Gene Carey, Mayor

**Council Members:**

David Thornhill, Mayor Pro Tem  
Lathan Watts, Deputy Mayor Pro Tem  
Greg Tierney  
Dean Ueckert  
Rudy Durham (Absent)

**City Staff:**

Claude King, City Manager  
Donna Barron, Assistant City Manager  
Steve Bacchus, Assistant City Manager  
Julie Heinze, City Secretary  
Ronald J. Neiman, City Attorney

**REGULAR SESSION – 6:00 P.M.**

With a quorum of the Council Members present, the called-special session of the Lewisville City Council was called to order by Mayor Carey at 6:00 p.m. on Monday, September 29, 2008, in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

**Invocation**

**(Agenda Item A)**

Mayor Carey gave the invocation.

**Pledge to the Flag**

**(Agenda Item B)**

At the request of Mayor Carey, Mayor Pro Tem Thornhill gave the pledge to the flag.

**Visitors/Citizens Forum**

**(Agenda Item C)**

No one appeared to speak at this time.

**(Agenda Item D)**

**CONSENT AGENDA**

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Watts and seconded by Mayor Pro Tem Thornhill, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt all remaining items on the Consent Agenda, as recommended and as follows:

1. Approval of a Waiver of Amphitheatre Rental Fees for the Southern Denton County Neighbor to Neighbor Reception Being Held on October 16, 2008.

The motion carried.

**END OF CONSENT AGENDA**

**Consideration of Ordinance No. 3608-09-2008 Adopting the FY 2008-2009 Operating Budget**

**(Agenda Item E-2)**

The proposed operating budget for all funds has been prepared by staff and reviewed by the City Council. Approval of this ordinance adopts an operating budget for all funds beginning October 1, 2008 and ending September 30, 2009. Included in this year’s ordinance is clarifying language regarding capital project funding. The City’s practice has been to roll over the current appropriation balance in all capital projects as of September 30 to October 1. The ordinance formalizes this practice. A draft budget document is available for public review at the City Secretary’s Office, the Library, and on the City website.

The City staff’s recommendation was that the City Council approve the proposed ordinance adopting the FY 2008-2009 Operating Budget.

City Attorney Ron Neiman read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Adopting and Approving a Budget for the City of Lewisville, Texas for the Year Beginning October 1, 2008, and Ending September 30, 2009; Providing for an Effective Date; and Declaring an Emergency.”

**MOTION:** Upon a motion made by Councilman Ueckert and seconded by Councilman Tierney, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 3608-09-2008**, as captioned previously. The motion carried.

**Consideration of a Vote to Ratify the  
Property Tax Revenue Increase Reflected in  
the FY 2008-2009 Operating Budget**

**(Agenda Item E-3)**

State law now requires that the adoption of a budget that will raise more revenue from property taxes than in the previous year also requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. The FY 2008-09 budget will raise more total property taxes than last year's budget by \$1,420,277 (includes General, TIF and Debt Service funds).

The City staff's recommendation was that the City Council ratify the property tax revenue increase reflected in the 2008-2009 Operating Budget.

**MOTION:** Upon a motion made by Councilman Tierney and seconded by Mayor Pro Tem Thornhill, the Council voted five (5) "ayes" and no (0) "nays" to ratify the property tax revenue increase reflected in the 2008-2009 Operating Budget. The motion carried.

**Consideration of Ordinance No. 3609-09-  
2008 Adopting the FY 2008-2009 Tax Rate**

**(Agenda Item E-4)**

This action will adopt the City's annual ad valorem tax rate for all taxable property at \$0.44021 per \$100 of assessed valuation. The rate combines the following: Maintenance and Operations \$0.32156 and Principal and Interest on Debt \$0.11865 for a total tax rate of \$0.44021. While the proposed tax rate for FY 2008-2009 is less than the 2007-2008 tax rate of \$0.44050, the proposed tax rate exceeds the effective tax rate of \$0.42922. Therefore, specific language is required in the ordinance, the vote on this ordinance must be a record vote, and the motion to adopt the ordinance must be made in the following form: "I move that property taxes be increased by the adoption of a tax rate of \$0.44021 per \$100 of assessed valuation."

The City staff's recommendation was that the City Council approve the proposed ordinance adopting the FY 2008-2009 tax rate with the following motion: "I move that property taxes be increased by adoption of a tax rate of \$0.44021 per \$100 of assessed valuation through approval of the proposed ordinance."

City Attorney Ron Neiman read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Establishing the Tax Rate and Tax Levy for the City of Lewisville, Texas for the Year 2008-2009, Upon all Taxable Property in Said City in Conformity With the Laws of the State of Texas, and the Charter Provisions and all Ordinances of Said City; Providing a Repealer; Providing for Severability; Providing for an Effective Date; and Declaring an Emergency.”

**MOTION:** Upon a motion made by Mayor Pro Tem Thornhill and seconded by Councilman Tierney, the Council voted five (5) “ayes” and no (0) “nays” to move that property taxes be increased by adoption of a tax rate of \$0.44021 per \$100 of assessed valuation through approval of proposed **Ordinance No. 3609-09-2008**, as captioned previously. The motion carried.

**Consideration of an Amended Lease and Management Agreement With SCI Lewisville Hotel, LTD; Consideration of an Assignment and Assumption of Lease and Management Agreement and an Assignment and Assumption of Tax Abatement Agreement With SCI Lewisville Hotel, LTD and Apple Nine Hospitality Ownership, Inc.; and Consideration of an Allonge to Note With Apple Nine Hospitality Ownership, Inc.**

**(Agenda Item E-5 )**

The City entered into a Lease and Management Agreement with SCI Lewisville Hotel, LTD on April 4, 2005 for the development and operation of the Lewisville Convention Center and the Hilton Garden Inn Hotel. The hotel and center are being purchased by Apple Nine Hospitality, a real estate investment trust (REIT) specializing in hotel acquisitions. The original agreement allows assignment of SCIs rights and obligations (including payment of a note in favor of the City) with the City’s permission (not unreasonably withheld). Several clarifying amendments to the original lease have been made also.

The City staff’s recommendation was that the City Council approve the Amended Lease and Management Agreement with SCI Lewisville Hotel, LTD; approve the Assignment and Assumption of Lease and Management Agreement and the Assignment and Assumption of Tax Abatement Agreement with SCI Lewisville Hotel, LTD and Apple Nine Hospitality Ownership, Inc.; and approve the Allonge to Note with Apple Nine Hospitality Ownership, Inc.

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Watts and seconded by Councilman Ueckert, the Council voted five (5) “ayes” and no (0) “nays” to approve the Amended Lease and Management Agreement with SCI Lewisville Hotel, LTD; approve the Assignment and Assumption of Lease and Management Agreement; approve the Assignment and Assumption of Tax Abatement Agreement with SCI Lewisville Hotel, LTD and Apple Nine Hospitality Ownership, Inc.; and approve the Allonge to Note with Apple Nine Hospitality Ownership, Inc. The motion carried.

**Reports**

**(Agenda Item F)**

- Assistant City Manager Donna Barron reminded the City Council that the Fall Music Series would be held at the Wayne Ferguson Plaza tomorrow evening. She gave a brief review of the number of attendees and the events held during the Western Day Event.
- Councilman Ueckert thanked City staff for their hard work at the festival.
- Deputy Mayor Pro Tem Watts echoed Councilman Ueckert’s comments. He indicated out that that the City Council did actually lower the tax rate however, State Law required that the motions be passed in a certain format that makes it confusing .
- City Manager Claude King stated that the reason for this meeting was due to the laws governed by the State of Texas and the City’s Charter and the dates fall where they are which is why there was a special called meeting.
- Mayor Carey pointed out the jewel that Assistant City Manager Steve Bacchus was with the Stick Horse event at the festival.
- Mayor Pro Tem Thornhill advised they had a great time and his hat was off to everyone involved in the Western Day event. He thanked Media Specialist Tim Phillips for his hard work with the City’s baseball team even if the City did not win.
- Mayor Carey thanked Councilman Ueckert for filling in to judge at the Hamburger Making Contest.
- Councilman Tierney also thanked Councilman Ueckert for his help judging. He also advised it was a great event and he was proud to be involved with the City of Lewisville.

There were no additional reports at this time.

Mayor Carey adjourned the called-special session of the Lewisville City Council into Closed Session at 6:10 p.m. Monday, September 29, 2008, in accordance with the requirements of the Open Meetings Law.

**Closed Session**

**(Agenda Item G)**

In accordance with Texas Government Code, Subchapter D, Section 551.072 (Real Estate), the Lewisville City Council convened into Closed Session at 6:10 p.m. on Monday,

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September 29, 2008, City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas, in order to discuss matters pertaining to the following:

1. Property Acquisition
2. Section 551.087 (Economic Development): Deliberation Regarding Economic Development for a Potential Company Relocation.

The Closed Session was adjourned at 6:18 p.m. on Monday, September 29, 2008.

**Reconvene into Regular Session and  
Consider Action, if any, on Items Discussed  
in Closed Session**

**(Agenda Item H)**

Mayor Carey reconvened the Called-Special Session of the Lewisville City Council at 6:21 p.m. on Monday, September 29, 2008, in the Council Chambers of the Lewisville City Hall.

Mayor Carey opened the floor for action to be taken on the items discussed in the Closed Session. There was no action taken on the items discussed during the Closed Session.

**Adjournment**

**(Agenda Item I)**

**MOTION:** Upon a motion made by Councilman Tierney and seconded by Deputy Mayor Pro Tem Watts, the Council voted five (5) "ayes" and no (0) "nays" to adjourn the Called-Special Session of the Lewisville City Council at 6:21 p.m. on Monday, September 29, 2008. The motion carried.

These minutes approved by the Lewisville City Council on the 6th day of October, 2008.

APPROVED

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Gene Carey  
MAYOR

ATTEST:

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Julie Heinze  
CITY SECRETARY