

# DRAFT

## MINUTES REGULAR MEETING September 1, 2020

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on September 1, 2020, at 6:00 p.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Ralph Gutierrez; Councilmember Scott Larson; Councilmember Michael Dahle; Councilmember David Scagliola; Councilmember Allison Heyward; Councilmember Tim Brown; Councilmember Mark Davis

Absent: Mayor Pro-Tem Rosemary Scott excused absence

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City Manager Charles Kelm; City Attorney Daniel Santee; City Secretary Brenda Dennis; Assistant to the City Manager Sarah Gonzalez

### **Call to Order – City Council Regular Session**

Mayor Gutierrez called the regular meeting to order at 6:00 p.m.

### **Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Councilmember Tim Brown)**

Mayor Gutierrez recognized Councilmember Brown who provided the opening prayer followed by the Pledges of Allegiance to the Flags of the United States and the State of Texas.

Mayor Gutierrez gave specific requests to guests and staff in reference to wearing their masks during the City Council meeting and departing the Council meeting.

### **Presentations**

- Proclamation recognizing National Payroll Week. (Mayor/Linda Almendarez)

Mayor Gutierrez invited Mrs. Almendarez to join him at the podium. Mayor Gutierrez read and presented the proclamation for National Payroll Week. Mayor Gutierrez recognized Mrs. Almendarez who thanked the city for their support and time given for the presentation.

Mayor Gutierrez offered additional comments about the challenges of payroll and expressed his appreciation for their hard work.

## Employee Recognition

- Parks & Recreation: Timothy Miles, Park Maintenance Technician. (B. James/L. Shrum/J. Montney)
- Public Works: Jeremy Perez, Drainage Worker I. (C. Kelm/S. Williams/D. Letbetter) - *Not present*.
- Executive Staff: Tammy Glascoe - (M. Browne)

Mayor Gutierrez recognized the appropriate Department Heads, who introduced their new employees. Each new employee had an opportunity to speak.

## City Events and Announcements

- Announcements of upcoming City Events (B. James/C. Kelm/S. Gonzalez)

Assistant City Manager Brian James announced Schertz Parkway is re-opening on Wednesday, but the city will be grinding down the road to smooth out the surface.

- Announcements and recognitions by the City Manager (M. Browne)

Dr. Browne reminded us about the deployment of some of our firefighters to California and gave a brief update on their mission, how they were doing, and asked us to keep them in our thoughts and prayers. He also asked us to continue to pray for the firefighters' family, from the Dallas area, who lost his life fighting the California fires.

Mayor Gutierrez asked that our gratitude and appreciation be passed along to our firefighters in California for the work they are doing.

- Announcements and recognitions by the Mayor (R. Gutierrez)

Mayor Gutierrez stated he received a letter from UT Health which expressed their appreciation for all the donations from the Kick Cancer 5K event. Mayor Gutierrez thanked our city for the donation and expressed his desire to see this event continue for cancer research.

## Hearing of Residents

**Residents who choose to watch the meeting via live stream, but who would like to participate in Residents to be Heard, should email their comments to City Secretary, Brenda Dennis, at [bdennis@schertz.com](mailto:bdennis@schertz.com) by 5:00 p.m. on Monday, August 31, 2020, SO THAT THE CITY SECRETARY MAY READ THE PUBLIC COMMENTS INTO THE RECORD UNDER THE HEARING OF RESIDENTS.**

**In the body of the email please include your name, your address, phone number, agenda item # if applicable or subject of discussion, and your comments.**

*This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.*

***All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.***

*Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.*

Mayor Gutierrez recognized the following who spoke:

- Maggie Titterington - Chamber - Thanked all those who participated in the Chamber Bowl. She announced the upcoming Civic Leaders' Focus event scheduled for September 15, 2020, from 11:15 am - 1:00 pm which will be held at the Schertz Civic Center. This meeting is for incumbents, candidates, school boards, counties, and even cities that will not have elections this year. Attendance will be limited to 120 people.

September 16, 2020, EPIC Business Series - "Presentation Acceleration"( the ability to communicate) being held at Noble Event Center, 203 South Main Street, Cibolo, TX from 7:30 am - 11:00 am. Attendance will be limited to 15 people.

First in person Chamber Mixer - September 17, 2020, 5:50 pm - 7:00 pm. Please register to vote online.

Flyers will be left announcing the Chamber Shred Day October 17, 2020, from 9:00 am - 12:00 pm at the Visitors Center. A small donation is suggested, but not mandatory, that will be used to adopt families for Thanksgiving and Christmas.

- Dana Eldridge - 2628 Gallant Fox Drive - Spoke regarding the purchase and selling of the property on Main Street, which is to be used for parking. He expressed his concern with Main Street needing to be cleaned up such as overfilled dumpsters, overgrown lots, and broken bottles on the ground. He also expressed the need to repair Old Wiederstein Road.

Mayor Gutierrez asked City Secretary Brenda Dennis if any resident had signed up on-line to be heard. She indicated there were none.

## Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

The following items were read into record:

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meeting of the regular meeting of August 25, 2020. (B. Dennis)
2. **Resolution 20-R-98** - Consideration and/or action approving a Resolution by the City Council of the City, Texas, authorizing expenditures not to exceed \$345,718.00 with C-3 Environmental Inc., and other matters in connection therewith. (C. Kelm/S.Williams/D. Letbetter)
3. **Ordinance No. 20-F-26** - Consideration and/or action approving an amendment to Ordinance 15-F-17 by the City Council of the City of Schertz, Texas, repealing an Ordinance of the code of Ordinances of the City of Schertz and adopting a new Ordinance with updated provisions regarding the collection and disposition of solid waste and recyclable material in the City; providing for the removal of an outdated table and referencing the City's current FY fee schedule. *Final Reading* (C. Kelm/S. Williams/J. Hooks)
4. **Resolution No. 20-R-92** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing expenditures in excess of \$50,000 with T.F. Harper & Associates, a BuyBoard Purchasing Cooperative vendor, and authorizing a purchase totaling \$62,737.07 for improvements to the Johnie McDow Sports Complex. (B. James, L. Shrum)
5. **Boards, Commissions and Committee Member Resignations/Appointments** - Consideration and/or action accepting Mr. John Bierschwale's resignation from the Tax Increment Reinvestment Zone Board, City of Schertz, Texas (TIRZ) Board.

Mayor Gutierrez asked Council if there were any items to be removed from Consent for separate action. None were removed.

Mayor Gutierrez recognized Councilmember Tim Brown who commented on how important Mr. John Bierschwale was to our city and noted his many contributions. He expressed his regret to accept Mr. Bierschwale's resignation.

Moved by Councilmember Michael Dahle, seconded by Councilmember Allison Heyward to approve consent agenda items 1 through 5.

AYE: Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown, Councilmember Mark Davis

Passed

## Discussion and Action Items

The following item was read into record:

- 6. Texas Municipal League Intergovernmental Risk Pool Board of Trustees Nominations** - Consideration and/or action nominating Board of Trustees candidates for places 1 through 4. (Mayor/Council)

Mayor Gutierrez recognized City Manager Mark Browne who introduced the Risk Pool Board of Trustees nomination and stated the staff's recommendation was to go with the incumbents.

Moved by Mayor Ralph Gutierrez, seconded by Councilmember David Scagliola to appoint the following Board of Trustees:

Place 1 - Robert T. Herrera (Incumbent), City Manager, City of Cibolo

Place 2 - John W. (Buzz) Fullen (Incumbent), Mayor, City of Henderson

Place 3 Jeffrey Snyder (Incumbent), City Manager, City of Plainview

Place 4 - Robert S. Hauck (Incumbent), City Manager, City of Tomball and authorize Mayor Gutierrez to cast the ballot on behalf of Schertz.

AYE: Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown, Councilmember Mark Davis

Passed

## Public Hearings

The following item was read into record:

- 7. Ordinance No. 20-T-31**— Conduct a Public Hearing and consideration and/or action approving an Ordinance adopting a budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021. *First Reading* (B. James/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who provided a PowerPoint presentation discussing adopting a budget for fiscal year 2020-2021. Some of the highlights included:

- All Funds - Expenses

General Fund \$37,214,581  
 I&S \$7,094,861  
 Water & Sewer Fund \$24,279,835  
 Capital Recovery Water \$206,000  
 Capital Recovery Sewer \$208,000  
 Drainage Fund \$1,443,563  
 EMS Fund \$9,703,111  
 SEDC \$8,144,799  
 Special Revenue Funds \$699,480  
**Grand Total \$89,444,230**

- Fund Balance/Equity

FY 2020-21	Total Expenditures	Net Change	Estimated Fund Balance
General Fund	\$37,214,581	(\$678,630)	\$10,513,720
I&S Fund	7,094,861	960	791,916
Water & Sewer Fund	24,729,835	774,533	10,011,164
Capital Recovery-Water	206,000	966,000	8,587,302
Capital Recovery-Sewer	208,000	464,000	7,617,139
Drainage Fund	1,443,563	(176,563)	474,114
EMS Fund	9,703,111	82,314	2,962,791
SEDC	8,144,799	(3,496,428)	16,107,454
Special Events Fund	32,100	0	110,517
PEG Fund	185,500	(95,500)	794,548
Hotel Tax Fund	253,930	286,820	2,641,718
Park Fund	125,000	(51,500)	204,370
Tree Mitigation	70,000	4,500	456,157
Library Fund	21,200	0	76,851
Historical Committee	11,750	0	13,766
<b>Total:</b>	<b>\$89,444,230</b>	<b>(\$1,919,494)</b>	<b>\$61,363,525</b>

- General Fund

- Comprehensive Land Use Plan/Unified Development Code Update
- CIP Funding
- Facilities Maintenance
- Class & Comp Implementation/ Employment Cost Index (ECI)
- Funding personnel recommended by Staffing Study

- W&S Fund
  - Ware-Seguin to Lower Seguin Loop Line Construction \$1,100,000
  - Greytown to Pfiel Loop Line Design \$156,200
  - Corbett Ground Water Storage Tank Design \$300,000
  - FM 1518 Utility Relocation Design \$750,000
  - Aviation Heights Waterline Replacement \$1,800,000
  - Northcliffe Country Club Estates AC pipe Design & Bid \$100,000
  
- EMS Fund
  - Hire a Full Time Instructor for EMT and other classes
  - Add 2 12-hour Full Time Paramedics
  - Add a 24-Hour Full Time Paramedic
  
- Drainage Fund
  - Drainage Channel Maintenance
  - FY 2020-21 Project
  - Amazon Channel - \$300,000
  
- Economic Development
  - Approved Incentives \$3,119,275
  - Tri County Road Improvements \$4,050,000
  
- Year end Projection updates
  - Personnel/Training/Equip Update \$168K
  - Additional Tax Reveue \$120K
  - Pool Contract \$90K
  - Misc Income \$60K
  - \$438,941 additional to fund projects.
  
- Upcoming Budget Changes
  - Combined IT and GIS - no impact
  - Outfit Building 11 - \$81,300
  - Medical Insurance - Est \$95,000
  - Payroll Compensation - \$??
  - Police Education Pay - \$23,000
  - Facility Rental Revenue Decrease - \$70,000
  - Investment Income Decrease - \$90,000

Mayor Gutierrez opened the public hearing for those wishing to speak, and as no one spoke, closed the public hearing for Council comments.

Finance Director James Walters addressed questions/concerns from Council

relating to the updates for the year-end projections and upcoming budget changes to the upcoming year. A lengthy discussion ensued regarding the possibility of lowering the tax rates. Staff reminded council that this item is regarding the proposed budget.

Moved by Councilmember Scott Larson, seconded by Councilmember Tim Brown to approve Ordinance No. 20-T-31 on first reading.

AYE: Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown, Councilmember Mark Davis

NAY: Councilmember David Scagliola

Passed

The following item was read into record:

- 8. Ordinance No. 20-T-32** – Conduct a Public Hearing and consideration and/or action approving an Ordinance approving the appraisal roll; setting the tax rate; levying and assessing general and special ad valorem taxes for the use and support of the municipal government of the city of Schertz, Texas. *First Reading* (B. James/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who provided a PowerPoint presentation outlining the appraisal roll; setting the tax rate; levying and assessing general and special ad valorem taxes. Some highlights included:

- 2020 Property Values

2019 Taxable Value	\$3,754,805,757
2020 Equivalent Taxable Value	\$3,785,492,777
2020 New Taxable Development	+\$ 120,725,051
2020 Adjusted Taxable Value	\$3,906,217,828
Difference between Adjusted Taxable Values	\$ 151,412,071

- Tax Rate

No new Revenue rate - \$0.5079 - The tax rate which will generate the same revenue for the city from property on the previous year's tax roll.

Voter Approval Rate - \$0.5247 - The rate if exceeded triggers an automatic election on the tax rate.

Current rate - \$0.5146 - The rate currently adopted by the City.

Proposed Maximum rate - \$0.5146 (Proposed budget assumes this rate) -  
 The maximum rate set at which the final adopted rate cannot exceed. \$0.01  
 is equal to \$390,000 revenue or \$24.45 on the average home.

**Target Tax Rate:**

Tax Rate	Current	Proposed Maximum	
M&O operations	\$0.3496	\$0.3495	For day to day
I&S Debt	\$0.1650	\$0.1651	To pay the City's
Total	\$0.5146	\$0.5146	

**FY 2020-21 City Tax Rate**

*At \$0.5079 No New Revenue Rate*

Existing Residents Average City Tax Bill  
 2019 Tax Bill = \$1,200 Avg Home Value \$233,200  
 2020 Tax Bill = \$1,241 Avg Home Value \$244,500  
 Increase = \$ 41\*

\*This represents the increase of the tax bill on the average taxable home value, including new construction

*At Current Rate \$0.5146*

Existing Residents Average City Tax Bill  
 2019 Tax Bill = \$1,200 Avg Home Value \$233,200  
 2020 Tax Bill = \$1,258 Avg Home Value \$244,500  
 Increase = \$ 58\* (increase of \$17)\*\*

\*This represents the increase of the tax bill on the average taxable home value, including new construction

\*\*This represents the increase of the tax bill on the average existing home

*At \$0.5247 Voter Approval Rate*

Existing Residents Average City Tax Bill  
 2019 Tax Bill = \$1,200 Avg Home Value \$233,200  
 2020 Tax Bill = \$1,282 Avg Home Value \$244,500  
 Increase = \$ 82\* (increase of \$41\*\*)

\*This represents the increase of the tax bill on the average taxable home value, including new construction

\*\*This represents the increase of the tax bill on the average existing home

Mayor Gutierrez opened the public hearing for those wishing to speak. The following spoke:

Maggie Titterington - 5325 Storm King - Expressed her opinion stating she would rather err on the side of caution and let the tax rate remain the same.

Mayor Gutierrez gave an opportunity for additional residents to speak and as no one else spoke; closed the public hearing for Council comments.

Finance Director James Walters and City Manager Dr. Mark Browne addressed questions/concerns from Council as differing opinions/ideas were expressed.

Before the vote was taken two points of information were asked:

- Does this vote need a super majority vote? - Mayor Ralph Gutierrez
- With one Councilmember not present, do we still need five affirmative votes (super majority) to pass? - Councilmember Heyward

Finance Director James Walters clarified there will be five affirmative votes (super majority) necessary to pass the vote even with a Councilmember absent.

City Manager Dr. Mark Browne asked to review, before a vote, for Council to clarify their position on funding the budget with a possible proposed reduced tax rate. A lengthy discussion ensued.

Councilmember Scott Larson posed the question "What if there is no proposal for a tax rate adoption that receives the five (5) votes?" Finance Director James Walters stated - "if we don't have a final tax rate adopted by September 30, 2020, it will default to the no new revenue rate." The no new revenue rate is .5079. Councilmember Scott Larson asked what scenario would need to be in place to consider lowering the tax rate? A lengthy discussion ensued surrounding the possibility of lowering of the tax rate in reference to the budget passed for FY2020-2021.

Moved by Councilmember Scott Larson, seconded by Councilmember David Scagliola that the property tax rate remain flat by the adoption of the no new tax rate of .5079 which is a 0% increase in the tax rate.

AYE: Councilmember Scott Larson, Councilmember David Scagliola, Councilmember Mark Davis, Mayor Ralph Gutierrez (voted to break the tie vote),

NAY: Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

Failed: Motion failed due to lack of a Super Majority vote.

Moved by Mayor Ralph Gutierrez, seconded by Councilmember Mark Davis that the property tax rate be increased by the adoption of a tax rate of .5121 which is effectively a .8% increase in the tax rate.

AYE: Councilmember Mark Davis, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Scott Larson, Councilmember David Scagliola

Failed: Motion failed due to lack of a Super Majority vote.

Councilmember Scott Larson asked for a point of information - He asked for clarification on the time frame to obtain a super majority vote before it defaults to the no new revenue rate. He stated he was open to compromise but would like a little more conversation and time to think about it.

Councilmember Mark Davis asked Finance Director James Walters what the increase would be for .5096. Finance Director James Walters stated the increase would be .33 %.

Moved by Councilmember Mark Davis, seconded by Councilmember Michael Dahle that the property tax be increased by the adoption of a tax rate of .5096 which is effectively a .33% increase in the tax rate.

Councilmember Larson clarified for the audience the current rate is .5146 - the motioned rate is .5096.

AYE: Councilmember Mark Davis, Councilmember Scott Larson, Councilmember, Michael Dahle, Councilmember Tim Brown

NAY: Councilmember David Scagliola, Councilmember Allison Heyward

Failed: Motion failed due to lack of a Super Majority vote.

Mayor Ralph Gutierrez stated the effective tax rate will stay at .5079 with no increase until this Council decides where we go.

City Manager Dr. Mark Browne clarifies if there are no further motions it goes to the next meeting.

## **Roll Call Vote Confirmation**

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided the roll call vote confirmation for agenda items 1 - 8.

## **Workshop**

The following item was read into record:

- 9. Workshop Discussion and Update (Ordinance 20-H-18)** - Discussion and update regarding the COVID-19 virus and our current Ordinance No. 20-H-18 Declaration of Local Disaster. (M. Browne/K. Long)

Mayor Gutierrez recognized Fire Chief Kade Long who provided a PowerPoint presentation providing updated COVID-19 statistics within the state of Texas and surrounding counties and answered questions from Council.

Councilmember Michael Dahle asked if the city would sponsor the annual National Night Out event this year in light of COVID-19. Fire Chief Kade Long stated there has not been a decision made at this time, but they would continue to monitor the situation. Mayor Ralph Gutierrez stated as a city we need to be consistent with all businesses as well as the events we allow.

## **Information available in City Council Packets - NO DISCUSSION TO OCCUR**

Mayor Gutierrez mentioned agenda item #10 was in the City Council packets and can also be found on our website.

- 10. Monthly update on major projects in progress/CIP.** (B. James/K. Woodlee)

## **Requests and Announcements**

- Announcements by the City Manager.

None at this time.

- Requests by Mayor and Councilmembers for updates or information from staff.

Mayor Gutierrez recognized Councilmember Michael Dahle who requested potential scenarios of what it would look like if we adopt the no new tax rate and what kind of budget adjustments would have to be made. City Manager Dr. Mark Browne asked for clarification on what staff was being directed to do. Councilmember Larson clarified the budget has been passed and there would not be any need for budget adjustments at this time.

- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda.

None at this time.

- Announcements by Mayor and Councilmembers
  - City and community events attended and to be attended
  - City Council Committee and Liaison Assignments (see assignments below)
  - Continuing education events attended and to be attended
  - Recognition of actions by City employees
  - Recognition of actions by community volunteers

Mayor Gutierrez recognized Councilmember Allison Heyward who stated she attended the Alamo Area Council of Governments (AACOG) Economic Development Workshop. She attended the TML Townhome and Building Dialogues Webinar, the TML Retail Follows Rooftops Webinar, and finally hosted the TML Region 7 Workshop as the President with three great speakers.

Mayor Gutierrez passed along his appreciation to Councilmember Allison Heyward for the excellent job she did hosting the TML Region 7 Workshop

## **Adjournment**

As there was no further business, Mayor Gutierrez adjourned the meeting at 8:14 p.m.

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Ralph Gutierrez, Mayor

ATTEST:

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Brenda Dennis, City Secretary