

DRAFT

MINUTES REGULAR MEETING September 8, 2020

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on September 8, 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; Mayor Pro-Tem Rosemary Scott; Councilmember Mark Davis; Councilmember Scott Larson; Councilmember Michael Dahle; Councilmember David Scagliola; Councilmember Allison Heyward; Councilmember Tim Brown

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; Deputy City Secretary Gayle Wilkinson

Call to Order

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 Mark Davis)

Mayor Gutierrez recognized Councilmember Davis 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.

City Events and Announcements

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

None at this time.

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

Mayor Gutierrez recognized City Manager Dr. Mark Browne who recognized Police Officer Danielle Apgar for her heroic action, along with her husband Josh a Police Officer with the City of Cibolo, of performing CPR on an unconscious man who was not breathing and saved his life. Dr. Browne commended Officer Apgar for her critical and on the spot thinking in an emergent situation.

Dr. Browne also mentioned our crew who are still deployed in California fighting the fires. They will be returning home this weekend and are doing well.

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

None at this time.

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 by 5:00 p.m. on Monday, September 7, 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 indicated that no one signed up to speak on the speakers form and asked City Secretary Brenda Dennis if any resident had signed up on-line to be heard.

She indicated there were two. Deputy City Secretary Gayle Wilkinson read the following:

- John Sullivan - 513 Triple Crown - Expressed his concern that City Council isn't sure where to spend funds in the event we are too conservative with our revenue forecasts. Mr. Sullivan enumerated several issues he feels would be good candidates to receive extra funds in our city and asked that we stick to the tax rate that was presented in the public hearings and put our money to smart use. He also thanked Council for their service to our community.
- Maggie Titterington - 5325 Storm King - Expressed her concern about lowering the tax rate to the "No New Revenue rate". She discussed creating and approving a budget with a loss in revenue and counting on possible monies coming in. "What happens if we don't receive those banked on monies?" She expressed her opinion to reinvest those monies into our city.

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 September 1, 2020. (B. Dennis)
2. **Boards, Commissions and Committee Member Resignations/Appointments** - Consideration and/or action accepting Mr. Bryan Jones application/appointment for the representative of the real estate, development, or building industry for the Capital Improvement Advisory Committee (CIAC). (Mayor/Council)
3. **Resolution No. 20-R-100** - Consideration and/or action approving a Resolution authorizing an agreement for Provisions of Professional Services between the City of Schertz and the City of Schertz Economic Development Corporation. (M. Browne/A. Perez)
4. **Resolution No. 20-R-99** - Consideration and/or action approving a Resolution by the City Council of the City, Texas, authorizing expenditures not to exceed \$416,267.68 with C-3 Environmental Inc., and other matters in connection therewith. (C. Kelm/S. Williams/D. Letbetter)

5. **Resolution No. 20-R-102** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing the City Manager to enter into an amended agreement with ILF N-T Owner, LP. for reimbursement for a roadway extension in the Homestead Development. (M. Browne/B. James)

Mayor Gutierrez asked Council if there were any items to be removed from Consent for separate action. No items were removed.

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

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Workshop

The following item was read into record:

6. **FY 2020-21 Proposed Budget and Tax Rate** - Workshop and discussion on the proposed budget and tax rate for FY 2020-21. (M. Browne/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who provided a PowerPoint presentation on the proposed budget and tax rate for FY 2020-2021. Mr. Walters recognized City Manager Dr. Mark Browne who discussed three potential options prepared by staff for setting the tax rate. Some highlights discussed in the PowerPoint are listed:

- All Funds - Expenses
- Fund Balance/Equity
- General Fund Balance Highlights
- Year End Projection Updates
- Proposed Budget Changes
- Options (3) for tax rates

The three (3) tax rate options presented are as follows:

- Proposed Rate \$0.5146 - increased likelihood of doing Elbel mid-year if revenue and expenditures allow for it. Look at lowering I&S next year for a more meaningful cut. Effectively a 1.3% increase on the tax rate.
- Lower \$0.5121 - \$97,000 less revenue - monitor expenses for budgetary changes midyear. Effectively a 0.8% increase in the tax rate.

- Lower \$0.5079 - \$260,000 less revenue - no change to budget or operations in proposed budget. Staff would monitor expenses throughout the year. Effectively a 0% increase on the tax rate.

Mayor Gutierrez opened the floor for discussion from Council. City Manager Dr. Mark Browne addressed questions from Council.

Discussion and Action Items

The following item was read into record:

7. **Resolution 20-R-101** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas approving an Interlocal Agreement between the City of Schertz, Texas and the Cibolo Creek Municipal Authority (CCMA) for the decommissioning of the Waterford Lift Station and other matters in connection therewith. (C. Kelm/S. Williams/S. McClelland)

Mayor Gutierrez recognized Public Works Director Suzanne Williams who provided a PowerPoint presentation discussing an Interlocal Agreement between the City of Schertz, Texas and the Cibolo Creek Municipal Authority (CCMA) for decommissioning the Waterford Lift Station. Ms. Williams introduced Clint Ellis the General Manager of Cibolo Creek Municipal Authority (CCMA) to field technical or historical questions. Ms. Williams and Mr. Ellis answered questions from Council.

Moved by Councilmember David Scagliola, seconded by Councilmember Michael Dahle to approve Resolution No. 20-R-101.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

The following item was read into record:

8. **Ordinance No. 20-T-31**— Consideration and/or action approving an Ordinance adopting a budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021. **Second and Final Reading** (B. James/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who introduced

the budget with the attached change memo (included in their packet) and stated the recommendation of staff was to adopt the budget with the proposed changes as seen in their packets.

Moved by Councilmember Allison Heyward, seconded by Councilmember Tim Brown to approve Ordinance No. 20-T-31 *Second and Final Reading*.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember David Scagliola

Passed

The following item was read into record:

9. **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 discussed the different votes needed with the different options for the tax rate.

Mayor Gutierrez opened the public hearing; the following spoke:

- Dana Eldridge - 2628 Gallant Fox Dr. - Discussed needing extra space in our budget for unforeseen expenses.
- Kenneth Greenwald - 205 Westchester Dr. - Stated he didn't have a problem with adopting the proposed tax rate from staff of \$0.5146 for needed repairs.

There being no additional speakers, Mayor Gutierrez closed the Public Hearing.

Mayor Gutierrez addressed Council stating "Our city's budget and tax rate are the most important and critical decisions City Council will have to make." He continued with a few remarks on the importance of making a decision on the tax rate and urged Council to consider adopting the proposed new tax rate of 0.5121.

Mayor Gutierrez opened the floor for discussion from Council. A lengthy vigorous discussion ensued among the Councilmembers on setting a tax rate. There were five separate votes before a super majority vote could be made.

They are as follows:

Moved by Councilmember David Scagliola, seconded by Councilmember Scott Larson that the property tax rate remain by the adoption of a tax rate of \$0.5079, which is effectively a 0% increase in the tax rate.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Scott Larson,
Councilmember David Scagliola

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

Failed

Moved by Councilmember Michael Dahle, seconded by Councilmember Allison Heyward that the property tax rate be increased by the adoption of a tax rate of \$0.5121, which is effectively a 0.8% increase in the tax rate.

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

NAY: Mayor Pro-Tem Rosemary Scott, Councilmember Scott Larson,
Councilmember David Scagliola

Failed

Moved by Councilmember Scott Larson, seconded by Councilmember Michael Dahle that the property tax rate be increased by the adoption of a tax rate of \$0.5096, which is effectively a .33% increase in the tax rate.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Scott Larson,
Councilmember Michael Dahle

NAY: Councilmember Mark Davis, Councilmember David Scagliola,
Councilmember Allison Heyward, Councilmember Tim Brown

Failed

Moved by Councilmember Mark Davis, seconded by Councilmember Tim Brown that the property tax rate be increased by the adoption of a tax rate of \$0.5146, which is effectively a 1.3% increase in the tax rate.

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

NAY: Mayor Pro-Tem Rosemary Scott, Councilmember Scott Larson
Councilmember David Scagliola

Failed

Moved by Councilmember Allison Heyward, seconded by Mayor Pro-Tem Rosemary Scott that the property tax rate be increased by the adoption of a tax rate of \$0.5121, which is effectively a 0.8% increase in the tax rate.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Scott Larson, Councilmember David Scagliola
Passed

The following item was read into record:

- 10. Resolution No. 20-R-103** – Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, of ratifying the property tax increase reflected in the Adopted Budget for FY 2020-21. (M. Browne/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who explained the local government code does require Council to take a separate action to ratify the tax increase reflected in the budget when a tax rate is passed. The language will be changed. At the rate of .5121 we will change the statement to say - this budget will raise more property taxes than last year's budget by \$777,223 or a 3.9% increase, and of that amount, \$613,162 is tax revenue to be raised from new property added to the tax roll this year. Mr. James further stated any motion would be to accept this new language replacing that in the Resolution.

Mayor Gutierrez opened the floor for Council to discuss. There was no discussion.

Moved by Councilmember Michael Dahle, seconded by Councilmember Allison Heyward to approve Resolution No. 20-R-103

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Scott Larson, Councilmember David Scagliola
Passed

Roll Call Vote Confirmation

Mayor Gutierrez recognized Deputy City Secretary Gayle Wilkinson who provided the roll call vote confirmation for agenda items 1-5 and 7-10.

Workshop

The following item was read into record:

- 11. 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 with updates on COVID-19 to include EOC Activities, Daily Positivity Rates, State Data, Hospitalizations in Bexar County and the State Disaster Declaration from the Governor's office. Chief Long answered questions from Council.

Mayor Gutierrez thanked our staff for providing the information and keeping Council updated.

The following item was read into record:

- 12. National Night Out and Texas Municipal League Conference** - Discussion and consideration and/or action regarding the Cancellation of the National Night Out activities and scheduling a regular Council meeting on October 6, 2020, and scheduling a regular Council meeting on October 13, 2020, as the Texas Municipal League Conference is being held virtually this year. (Mayor/Council/M. Browne/B. Dennis)

Mayor Gutierrez recognized City Secretary Brenda Dennis who discussed the possibility of having a Council meeting on October 6, a meeting that is usually canceled for an annual National Night Out event, and October 13, a meeting that is usually canceled due to the annual Texas Municipal League (TML) Conference. Ms. Dennis asked the Council to consider these dates for possible Council meetings this year due to the cancelation of the typical annual National Night Out and considering the Texas Municipal League (TML) will be virtual this year and not held in the evenings.

Mayor Gutierrez clarified homeowners associations (HOA'S) can still continue to have their National Night Out activities as long as they are practicing social distancing. The city will not participate as a city event to be consistent with our involvement in other city events since COVID-19. However, if a member of Council is invited to one of the homeowners' association events, they may attend.

Mayor Gutierrez opened the floor for discussion from Council. Several views

were expressed with the outcome being to cancel the October 6th and October 13th as Council meetings. No motion was necessary.

Closed Session

Mayor Gutierrez asked staff and guests who were not participating in the closed sessions to wait outside the chamber until they were finished.

Mayor Gutierrez recessed the regular meeting into Closed Session at 8:09 and the following items were read into record:

13. The City Council will meet in closed session in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations, Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect.
 - Project E-061
14. The City Council will meet in Closed Session in accordance with Section 551.071 of the Texas Government Code to receive legal advice from its attorneys regarding a settlement offer.
 - Settlement of claims associated with the design and construction of Fire Station #3.

Reconvene into Regular Session

Mayor Gutierrez reconvened into regular session at 8:28 p.m.

- 13A. Take any action based on discussions held in closed session under Agenda Item 13.

No action taken.

- 14A. Take any action based on discussions held in closed session under Agenda Item 14.

Moved by Councilmember David Scagliola, seconded by Councilmember Michael Dahle to approve the settlement agreement associated with the design and construction with Fire Station #3.

AYE: Mayor Pro-Tem Rosemary Scott, Councilmember Mark Davis, Councilmember Scott Larson, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Deputy Secretary Gayle Wilkinson who provided the roll call vote confirmation for agenda item 14.

Information available in City Council Packets - NO DISCUSSION TO OCCUR

No discussion items were available.

Requests and Announcements

- Announcements by the City Manager.

City Manager Dr. Mark Browne thanked Council for working with staff on the budget and tax rate. He stated Council and staff work well as a team together in working out their differences.

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

None were requested.

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

Mayor Gutierrez recognized Councilmember Rosemary Scott who asked to have an update on our Parks. Assistant City Manager Brian James stated staff was planning to do an update on Parks as a joint meeting with Council in the near future.

- 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 Heyward who stated she had attended an Alamo Area Council of Governments (AACOG) Economic Webinar.

Adjournment

As there was no further business, Mayor Gutierrez adjourned the meeting at 8:32 p.m.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary