

DRAFT

MINUTES REGULAR MEETING August 9, 2022

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on August 9, 2022, 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 Allison Heyward; Councilmember Mark Davis; City Council Place 2 - Vacant; Councilmember Jill Whittaker; Councilmember Michael Dahle; Councilmember David Scagliola; Councilmember Tim Brown

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; City Attorney Daniel Santee; City Secretary Brenda Dennis; Deputy City Secretary Sheila Edmondson

Call to Order

Mayor Gutierrez called the 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 Brown)

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

Employee Recognition - Employee Milestone Service Pin Presentations

City Manager Dr. Mark Browne provided a brief bio of each recipient and presented a 20-Year Service Pin to the following employees:

- Patti Casas - Court Administrator-Court Department
- Jimmy Corrales - Retired Firefighter Paramedic-Fire Department
- Aaron Dammann - Service Man 2-Public Works
- Virgil Jones - Lt. Investigations/Support Services-Police Department
- Steve Solitto - Patrol Sergeant-Police Department

City Events and Announcements

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

Friday, August 19
Caterpillar Chamber Bowl

11:00 AM – 3:00 PM
Fiesta Lanes, New Braunfels

Tuesday, August 23

Next regular scheduled Council meeting
6:00 PM
Council Chambers

Election Information

Filing for place on the ballot has begun for the November 8, 2022, City of Schertz Joint General Election to elect a Mayor and Councilmembers in Place 1 and 2 for a three-year term from November 2022 and ending November 2025. Filing ends August 22, 2022, at 5:00 PM. Candidate packets are available online on the city’s website and can also be obtained in the City Secretary’s Office, 1400 Schertz Parkway, Building #2.

- Announcements and recognitions by the City Manager (M. Browne)
No further announcements

- Announcements and recognitions by the Mayor (R. Gutierrez)
No further announcements

Hearing of Residents

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.

Mayor Pro-Tem Heyward recognized the following who spoke:

- Mr. Dana Eldridge, 2628 Gallant Fox Drive-(Mayor Pro-Tem Heyward read a statement on his behalf). Mr Eldridge wanted to pass on commendations to Officer Ryan McCallister and Corporal Megan Fennesy. They provided invaluable aid in a wellness check last Wednesday. Also, a 4-man crew from the Fire Department made entry into the house without damage, so aid could be given. Unfortunately a death had occurred, but all personnel were extremely professional and courteous in getting the situation handled. Thanks to all. Dana, Kathy Eldridge and the homeowners Chrys and Alan Hecox.

- Mr. Ferrando Heyward, 2628 Hansel Heights - Mr. Heyward gave accolades to Staff for the Budget Retreat Presentation last Friday. He stated that what was presented is moving in the right direction. Mr. Heyward thanked Finance Director James Walters for all his

work on the proposed Budget and the City's Finances. He has concerns of the turnover of employees and believes that employees do not leave for salary alone, another reason is because those employees feel unvalued. Making sure our employees feel valued and appreciated is important. Mr. Heyward asked Department Heads to keep asking for what you need, ask your employees what they need. Taxpayers will complain regardless, however when the citizens do not get the services they want, they will really complain.

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.

Mayor Gutierrez read Consent Agenda Items 1-3, and Mayor Pro-Tem Heyward read Consent Agenda Items 4-6 into record:

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meeting of August 2, 2022. (B. Dennis)
2. **Ordinance No. 22-M-40** - Consideration and/or action to approve an Ordinance by the City Council of the City of Schertz, Texas amending the City of Schertz Code of Ordinances and certain other Ordinances by amending and establishing fees for certain licenses, permits, and other services provided by the City of Schertz. *Final Reading* (M. Browne/J. Walters)
3. **Appointments to various Boards, Commissions and Committees** - Consideration and/or action approving the Appointment of Mr. Patrick Holmes as a Regular Member to the Historic Preservation Committee. (B. Dennis/Mayor-Council)
4. **Ordinance No. 22-T-34** – Consideration and/or action approving an Ordinance by the City Council of the City of Schertz, Texas, authorizing a budget adjustment relating to the Corbett Ground Storage Tank. *Final Reading* (M. Browne/K. Woodlee/J. Shortess)
5. **Resolution No. 22-R-79** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing the City Manager to sign a Letter of Intent (LOI) with Sterling McCall Ford for the purchase of one (1) new ambulance for Fiscal Year 2023/2024. (M. Browne/J. Mabbitt)
6. **Resolution No. 22-R-75** – Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing a contract with Pesado Construction Co., Inc. relating to the Corbett Ground Storage Tank Project and authorizing the budget expenditures for the project. (B. James/K. Woodlee/J. Shortess)

Mayor Gutierrez read Agenda Items 1-3 into record. Mayor Pro-Tem Heyward read Agenda Items 4-6 into record.

Mayor Gutierrez asked if any items needed to be removed, no items were removed, Mayor Gutierrez asked for a motion to approve Consent Agenda Items 1 through 6.

Moved by Mayor Pro-Tem Allison Heyward, seconded by Councilmember David Scagliola

AYE: Mayor Pro-Tem Allison Heyward, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Tim Brown

Passed

Discussion and Action Items

7. **Resolution No. 22-R-63** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing the City Manager to issue a purchase order for the purchase of a Pierce-Custom Velocity Pumper Truck as part of the 2023-2024 Vehicle/Equipment replacement program. (C. Kelm/S. Williams)

Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-63

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$891,500 FOR THE PURCHASE OF PIERCE PUMPER TRUCK AS PART OF THE 2023-2024 VEHICLE/EQUIPMENT REPLACEMENT PROGRAM

Mayor Gutierrez recognized Public Works Director Suzanne Williams who explained that a new Pumper Truck is part of the FY 2023-2024 Vehicle/Equipment replacement program. With the current timelines of items being ordered, it could be 24-25 months out. Ms. Williams explained that by ordering it now, we can chip away at the wait time for this pumper truck.

Councilmember Scagliola asked for a description of a pumper truck and its uses.

Fire Chief Greg Rodgers explained that a pumper truck is your most used fire truck on service calls. Due to the frequent use of a pumper truck, the city has planned to replace a pumper truck in the next FY 2023-2024. Chief Rodgers also stated that it is not unusual for the prices to increase at least 7-10%, so it would save the city money to order now.

Mayor Gutierrez asked for a motion to approve Resolution No. 22-R-63.

Moved by Councilmember David Scagliola, seconded by Councilmember Mark Davis to approve Resolution 22-R-63.

AYE: Mayor Pro-Tem Allison Heyward, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Tim Brown

Passed

8. **Resolution 22-R-76-** Consideration/Action to approve a Resolution approving a Bond Resolution previously adopted by the Board of Directors of the Schertz/Seguin Local Government Corporation (SSLGC) authorizing the issuance of obligations designated as “Schertz/Seguin Local Government Corporation Contract Revenue Improvement Bonds, New Series 2022A” acknowledging that these Obligations will be sold pursuant to the provisions of a Purchase Contract; ratifying, reconfirming and readopting provisions of a Regional Water Supply Contract executed between the City of Schertz, Texas, the City of Seguin, Texas, and the Schertz/Seguin Local Government Corporation, authorizing the Mayor, the City Manager, and the City Secretary of the City of Schertz, Texas to execute on behalf of the City of Schertz, Texas all documents in connection with this transaction; and other matters in connection therewith (B. James/S. Williams/A. Beard)

Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-76

APPROVING A RESOLUTION BY THE SCHERTZ CITY COUNCIL APPROVING A BOND RESOLUTION PREVIOUSLY ADOPTED BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION AUTHORIZING THE ISSUANCE OF OBLIGATIONS DESIGNATED AS “SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION CONTRACT REVENUE IMPROVEMENT BONDS, NEW SERIES 2022A”; ACKNOWLEDGING THAT THESE BONDS WILL BE SOLD PURSUANT TO THE PROVISIONS OF A PURCHASE CONTRACT; RATIFYING, RECONFIRMING, AND READOPTING THE PROVISIONS OF A REGIONAL WATER SUPPLY CONTRACT EXECUTED BETWEEN THE CITY OF SCHERTZ, TEXAS, THE CITY OF SEGUIN, TEXAS, AND THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION; AUTHORIZING THE MAYOR, THE CITY MANAGER, AND THE CITY SECRETARY OF THE CITY OF SCHERTZ, TEXAS TO EXECUTE ON BEHALF OF THE CITY OF SCHERTZ, TEXAS ALL DOCUMENTS IN CONNECTION WITH THIS TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Gutierrez recognized Assistant City Manager Brian James who stated that SSLGC is issuing bonds and the Schertz City Council has to approve it. Mr. James introduced Ms. Stephanie Leibe, a Partner at Norton Rose Fulbright US LLP, a company who provides bond counsel service to the City of Schertz and to SSLGC. She

explained that Resolution No. 22-R-76 acknowledges that SSLGC will go in the market to sell bonds to finance some infrastructure projects. SSLGC approved their bond resolution on 07-21-2022, the City of Seguin adopted their resolution on 08-02-2022. If the City Council approves this resolution tonight, SSLGC anticipates they will sell their bonds next week to a negotiated sale. The amount of the bonds is \$4.5 million.

Councilmember Scagliola stated he is the ex-officio for the SSLGC and they have been discussing the need for these bonds for a while. He is appreciative for the hard work SSLGC has done, and the management is superb.

Councilmember Scagliola made the following motion:" I MOVE THAT THE CITY COUNCIL APPROVE A RESOLUTION APPROVING A BOND RESOLUTION PREVIOUSLY ADOPTED BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION AUTHORIZING THE ISSUANCE OF BONDS DESIGNATED AS "SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION CONTRACT REVENUE IMPROVEMENT BONDS, NEW SERIES 2022A"

Mayor Pro-Tem Heyward seconded the motion.

Moved by Councilmember David Scagliola, seconded by Mayor Pro-Tem Allison Heyward MOVE THAT THE CITY COUNCIL APPROVE A RESOLUTION APPROVING A BOND RESOLUTION PREVIOUSLY ADOPTED BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION AUTHORIZING THE ISSUANCE OF BONDS DESIGNATED AS "SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION CONTRACT REVENUE IMPROVEMENT BONDS, NEW SERIES 2022A"

AYE: Mayor Pro-Tem Allison Heyward, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dahle, Councilmember David Scagliola, Councilmember Tim Brown

Passed

- 9. Resolution No. 22-R-82** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas, authorizing a preliminary maximum tax rate for Fiscal Year 2022-23 and setting the Public Hearing dates, and other matters in connection therewith. (M. Browne/B. James/J. Walters)

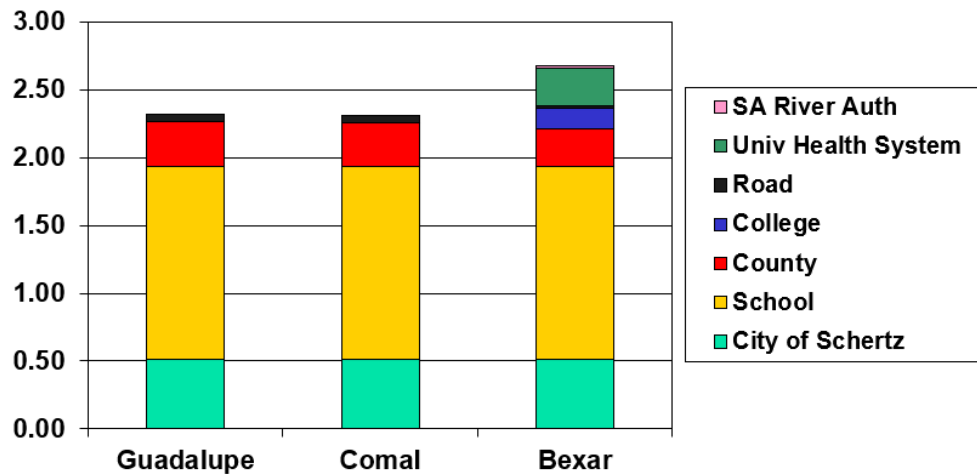
Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-82

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING A PRELIMINARY MAXIMUM TAX RATE FOR FISCAL YEAR 2022-23, AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Gutierrez recognized Finance Director James Walters who provided a PowerPoint presentation on the City Council Budget & Tax Rate Workshop.

Total Property Tax 2021



2022 Property Values:

2021 Taxable value	\$4,113,819,189
2022 Equivalent Taxable Value	\$4,645,496,543
2022 New Taxable Development	<u>+\$116,497,996</u>
2022 Adjusted Taxable Value	\$4,761,994,539
Difference between Adjusted Taxable Values	\$648,175,350

Tax Rate

No-New Revenue:	The tax rate which will generate the same revenue for the city from property on the previous year's tax roll.
Voter Approval Rate:	The rate if exceeded triggers an automatic election on the tax rate.
Current:	The rate currently adopted by the City.
Proposed Max:	The maximum rate set at which the final adopted rate cannot exceed.

Tax Rate

Current:	\$0.5121
No New Revenue:	\$0.4526
Voter Approval:	\$0.4721
Voter Approval - Unused Increment:	\$0.5094
Proposed Max:	\$0.4999

\$0.01 is equal to \$477,000 revenue or \$29.48 on the average home

Target Tax Rate

<u>Tax Rate</u>	Current	Proposed Maximum	
M&O	\$0.3470	\$0.3519	For <u>day to day</u> operations
I&S	\$0.1651	\$0.1480	To pay the City's debt
Total	<u>\$0.5121</u>	<u>\$0.4999</u>	

FY 2022-23 City Tax Rate

Tax Rate Name	Tax Rate per \$100	Est. Tax Bill	Bill Increase	% Increase
No-new-revenue	\$0.4526	\$1,334.45	-	-
Voter Approval	\$0.4721	\$1,392.23	\$57.78	4.3%
w/Increment	\$0.5094	\$1,501.59	\$167.14	12.5%
Proposed	\$0.4999	\$1,473.59	\$139.13	10.4%
Current	\$0.5121	\$1,509.55	\$175.10	13.1%

Tax bills are based on average taxable value of homes for 2022 of \$294,800

Estimated Tax Bills and Bill Increases are annual amounts

Finance Director Walters provided additional information about Historic Tax Rates. Mr. Walters explained the Preliminary Tax Rate timeline.

- Rate set tonight will be the highest council is willing to consider
- The final adopted tax rate can be lower but not higher without additional notices and public hearings
- Staff will prepare information and updated budget recommendations based on this rate on August 23, 2022.

Mayor Pro-Tem Heyward stated that we should stay with the proposed tax rate of \$0.4999 as discussed in the Budget Retreat. Mayor Pro-Tem Heyward then made the motion to approve Resolution No. 22-R-82. Councilmember Dahle seconded the motion.

Councilmember Scagliola stated he looked over the numbers and understands we are going through a transition. A \$0.4000 rate is a little low, but \$0.4999 seemed a little high. He would like to challenge the staff and re-evaluate the numbers. Councilmember Scagliola would also like HR to look at some of the pay, cafeteria plans, and benefits that are provided by the city.

Councilmember Dahle agreed that the city should look at a Cafeteria Plan options for next year budget.

Councilmember Whittaker thanked staff for their hard work on the proposed budget. She stated that this year residents will probably see a tax increase in their tax bill. It is important to weigh the need for keeping the resident's tax bill as low as they can and still make sure our city's needs are met.

Mayor Gutierrez reiterated that this resolution is only setting the maximum tax rate. He agrees that we should have staff look over the numbers and see if the tax rate can be lowered.

Moved by Mayor Pro-Tem Allison Heyward, seconded by Councilmember Michael Dahle Authorize a preliminary Maximum Tax Rate of \$0.4999.

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

NAY: Councilmember David Scagliola

Passed

Workshop

10. Proposed FY 2022-23 Budget - Workshop and Discussion on the Proposed FY 2022-23 Budget. (M. Browne/B. James/J. Walters)

Mayor Gutierrez recognized Finance Director James Walters who provided a PowerPoint presentation on the Proposed FY 2022-2023.

FY 2022-23 Budget Development

- More sales tax realized
- More aggressive on revenue projections
 - Sales tax – increasing from 5% to 6% (7% in out years)
- More aggressive on expense projections
 - Across the line-item adjustments to match long-term trends
 - Reduce department budgets by 2%
- All of this provides additional recurring funding

Budget Priorities

- Established priorities from the pre-budget retreat
 - Infrastructure
 - CIP Planning/Document Development
 - New/Reconstruction of Facilities
 - Compensation
 - Increase Staffing

FY 2022-23 Budget Highlights

- Expanded Programs Proposed to Fund
 - Wage Adjustment Proposal
 - New Personnel
 - Additional SPAM Funding
 - Bldg. 27 Parking Lot Surfacing
 - IT Upgrades – Internet & Fiber
 - Software – Purchasing & PD
 - Library Board Proposal

FY 2022-23 Budget Highlights

- Expanded Programs Proposed to Fund
 - Wage Adjustment Proposal
 - New Personnel
 - Additional SPAM Funding
 - Bldg. 27 Parking Lot Surfacing
 - IT Upgrades – Internet & Fiber
 - Software – Purchasing & PD
 - Library Board Proposal

FY 2022-23 Budget Highlights

- Wage Adjustment Proposal
 - One time, in lieu of merit
 - P/T and F/T - Non-public safety
 - 4/2/1 plan
 - Couple this with 3% ECI
 - Both to go into effect October 1

FY 2022-23 Budget Highlights

- New Personnel
 - Proposing 15 new positions in General Fund:
 - Fire – 3 Firefighters for Station 4, Inspector
 - Engineering – Inspector, Engineer
 - IT – Public Safety Tech.
 - Parks – Parks Maintenance Tech.
 - Planning & Community Development – Plans Examiner
 - Police – 2 SRO's, Traffic Officer, Records Specialist
 - Fleet – Parts Clerk/Lube Tech.
 - Library – P/T Programming Specialist
 - Enterprise Funds:
 - EMS – 8 new personnel in planned phase approach

FY 2022-23 Budget Highlights

- Additional SPAM Funding
 - FY 22/23 base has \$400,000
 - FY 22/23 expanded would increase that to \$650,000

Finance Director James Walters provided additional detailed information on the budget highlights of each program and where the funds were being spent in the departments.

Councilmember Whittaker thanked Mr. Walters and praised him on the proposed budget. She appreciated that Mr. Walters was able to identify each of these items, what they are, what the need is and why it is beneficial. Councilmember Whittaker thank him for his thoroughness.

Councilmember Scagliola stated on the Sales Tax graph the information is misleading. He believes that the sales taxes are not going down and not depreciating. He asked if staff could put in another line on the graph with a three-year average to show the upper trend with the sales tax revenue. Councilmember Scagliola stated he does not agree with the Main Street Project and the \$11,000,000 cost is a lot of money.

Councilmember Davis stated that the city does a comprehensive plan and evaluates the all the streets in the city and develops a plan to take care of the roads in an efficient manner. Main Street under the PCI index is one of the worst roads in the city and has to have its water lines and sewer lines replaced.

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided the roll call vote confirmation for Agenda Items 1 through 10.

Closed Session

Mayor Guterrez read the following into record:

11. The City Council will meet in closed session in accordance with Section 551.074 of the Texas Government Code, Personnel Matters, to discuss the direction to fill the City Manager vacancy.
12. The City Council will meet in closed session in accordance with Section 551.074 of the Texas Government Code, personnel, to deliberate and evaluate the performance and duties of City Manager: Dr. Mark Browne.

Mayor Gutierrez recessed the Regular Meeting at 7:17 p.m. into closed session.

Reconvene into Regular Session

Mayor Gutierrez reconvened into Regular Session at 8:41 p.m.

13. Take any action based on discussions held in Closed Session under Agenda Item 11.

No action was taken.

14. Take any action based on discussions held in Closed Session under Agenda Item 12.

No action was taken.

Roll Call Vote Confirmation

No Roll call vote confirmation was provided.

Information available in City Council Packets - NO DISCUSSION TO OCCUR

Mayor Gutierrez stated that Agenda Item 15 is an Informational item and can be found in the Council packets as well as can be found online.

15. Update on the Beck Landfill Permit Application

Requests and Announcements

- Announcements by the City Manager.

Mayor Gutierrez recognized City Manager Dr. Mark Browne who thanked staff for the work they did with the budget, specially Sarah Gonzalez, James Walters and Department Heads.

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

No updates were requested.

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

No items were requested.

- Announcements by Mayor and Councilmembers

Mayor Gutierrez recognized the following Members of Council:

Mayor Pro-Tem Heyward stated that she attended the Budget Workshop Retreat and Ribbon Cutting Event at Taco Pelenque.

Councilmember Davis stated he attended the Budget Workshop Retreat and the Transportation Safety Advisory Board Meeting.

Councilmember Whittaker stated she attended the Budget Workshop Retreat and thanked Staff for a great presentation, she also stated she attended the Ribbon Cutting Event at Taco Pelenque.

Councilmember Dahle stated he attended the Budget Workshop Retreat, thanked Dr. Browne and Staff. Councilmember Dahle congratulated all the 20-year employees who were recognized this evening.

Councilmember Scagliola stated he also attended the Budget Workshop Retreat and the Ribbon Cutting Event at Taco Pelenque.

Councilmember Brown stated he also attended the Budget Workshop Retreat and thanked the staff.

Adjournment

Mayor Gutierrez adjourned the meeting at 8:44 p.m.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary