

**CITY OF SAGINAW
MINUTES OF CITY COUNCIL MEETING
AND PUBLIC HEARING
HELD AT THE SAGINAW CITY HALL
333 WEST MCLEROY BLVD.
SEPTEMBER 18, 2018**

Present at the meeting:

Mayor	Todd Flippo
Mayor Pro-Tem	David Flory
Councilmember	Patrick Farr
Councilmember	Valerie Tankersley
Councilmember	Charles Tucker
Councilmember	Cindy Bighorse
Councilmember	Mary Copeland
City Attorney	Bryn Meredith
City Engineer	Andrew Simonsen, P.E.
City Manager	Gabe Reaume
Asst. City Manager	Dolph Johnson
Finance Director	Kim Quin
City Secretary	Janice England
Police Chief	Lee Howell
Police Captain	Russell Ragsdale
Police Sergeant	Mark Address
Fire Chief	Doug Spears
Fire Division Chief	Scott Craver
Director of Public Works	Rick Trice, P.E.
Director of Community Svcs.	Keith Rinehart
Director of Human Resources	Melanie McManus
Library Director	Ellen Ritchie
Chief Building Official	Kevin McMillin
Senior Building Inspector	Larry Little
Management Intern	Jarrold Rosson
Police Sergeant	Jose Murillo

Absent from the meeting:

None

Visitors at the meeting:

Chuck Inmon	Mark Thetford
Andrew Curtin	Laurie Curtin
Jennifer Flippo	Korie Kiser
Zoe Kiser	Norm Bulaich
Marty Grant	Cody Austin
Jane Weaver	Sandy Murillo

(1) Call to Order

Mayor Flippo called the meeting to order at 6:00 p.m. with a quorum present

Pledge of Allegiance to the United States

Pledge of Allegiance to the State of Texas

(2) Invocation

In the absence of Pastor Dennis Hudson, Mr. Mark Thetford of the Saginaw Park Baptist Church gave the invocation.

(3) Audience Participation

This item was covered on the video screen.

(4) Consent Agenda

a. CC-0918-12

Action regarding Minutes, September 4, 2018

b. CC-0918-13

Action regarding Minutes, September 11, 2018

Councilmember Farr requested that Item 4a be removed from the Consent Agenda and considered separately.

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Tankersley to approve Item 4b of the consent agenda as presented. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

Councilmember Farr stated that Item 12 of the minutes needs to be amended to reflect that the fiduciary role of the financial advisor was also discussed.

Motion was made by Councilmember Farr with a second by Mayor Pro-Tem Flory to approve Item 4a of the consent agenda as amended. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (5) CC-0918-14
Update from Community Emergency Response Team (CERT)

Mr. Chuck Inmon of the Saginaw Community Emergency Response Team (CERT) addressed the Council. He gave a brief history of CERT, their training, and explained their activities. He stated that they currently have over 100 members. Of that number there are 65 deployable members which include 32 very active members. Fire Chief Spears expressed his appreciation to Mr. Inmon and the members of CERT. He added that CERT is a valuable asset to the City.

With the Council's consent, Mayor Flippo moved Item 15 to this point on the agenda.

- (15) CC-0918-24
Consideration and Action regarding Contract Amendment with a One Year Extension for Waste Connections to continue Solid Waste and Recycling Collection Services; and Discussion of Fully Automated Service

Asst. City Manager Johnson explained that the City's current contract with Waste Connections for solid waste and recycling services expires on October 31, 2018. He stated that Waste Connections has proposed a one year extension of the current contract with a 3% increase in all rates. The residential rate will increase from \$11.61 plus tax per month to \$11.96 plus tax per month. This will allow time in the coming months to explore the options and costs associated with a fully automated pickup service. Mr. Norm Bulaich and Mr. Mary Grant, District Manager, were present to address this item. Mr. Bulaich proposed that a workshop meeting be scheduled in early 2019 to discuss automated service in detail. The Council concurred.

Motion was made by Councilmember Tankersley with a second by Councilmember Tucker to approve the contract amendment with a one year extension and a 3% increase in rates as presented. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (6) CC-0918-15
Public Hearing – Presentation of Proposed Budget for Fiscal Year 2018-2019

Mayor Flippo declared the public hearing for this item opened at 6:29 p.m. City Manager Reaume gave a brief power point presentation regarding the proposed budget for the fiscal year 2018-2019. He explained the budget process and timeline. He added that the proposed budget has been on the City's website since August 3, 2019. Mayor Flippo called for any public input. There was none. Mayor Flippo declared the public hearing closed at 6:36 p.m.

Councilmember Farr presented his proposal for the budget for the fiscal year 2018-2019 which included a proposed tax rate of 0.439335 (43.93 cents). His proposal also included using undesignated funds to cover the costs of both the Economic Development Department and the Information Technology Department. He also proposed a probation

period of one year for both departments. Referring to the City Charter, Section 7.01, he added that only the City Council can create departments. He also added that if the Economic Development Department is successful, it should generate revenue to cover the costs to operate the department. He proposed that the fees on the City's Master Fee Schedule be reviewed and increased to help cover the costs of the IT Department. He stated that there's no reason to increase the tax rate when there is plenty of money in the fund balance to cover the costs of these two departments.

Councilmember Bighorse thanked Councilmember Farr for his presentation and comments. She asked why he waited until today to present his proposal. Councilmember Farr stated that he has been having conversations with City Manager Reaume since May 15th and he counted on City Manager Reaume to share it with the Council. Councilmember Bighorse stated that the proposed budget and tax rate have been discussed at workshops for many months. She pointed out that Councilmember Farr has made several posts regarding the proposed budget and tax rate on Facebook. She added that it is inappropriate for members of the Council to respond to Councilmember Farr on Facebook. She stated that the members of the Council need to work together as a team. Councilmember Farr stated that his concerns have been brought up during workshops and these are his opinion. Councilmember Bighorse stated that it would have been better if the Council could have discussed his proposal before today. Councilmember Farr stated that the Council has not engaged in conversation with him. Councilmember Bighorse asked again why Councilmember Farr waited until today to present his proposal. Councilmember Farr stated that he has been posting his opinion on his Facebook Page since May. Councilmember Tucker commented that some don't have access to Councilmember Farr's posts. Councilmember Farr stated that his posts on Facebook are not intended for the Council. He stated that his posts express his opinion openly to the electorate.

Councilmember Copeland commented that the Council had the opportunity at each budget workshop to discuss and consider the budget proposals from each department. She stated that she felt all the items proposed by the departments were valid and reasonable. She added that she wished there was room for everything to be included but that would have resulted in a slight increase in the tax rate. She stated that the proposed budget is a well balanced budget and reflects money being spent wisely.

Councilmember Tankersley commented that the IT Department mentioned in Councilmember Farr's proposal already exists. City Manager Reaume stated that City Council took action on a position for a Director of Economic Development earlier this year. He explained that the IT Department is not a new. He added there are two full time employees in this department. He stated that the only change was the removal of the IT components from the individual departments and putting them together in one department. He added that the operation of both the Economic Department and the IT Department are recurring expenses. Mayor Flippo added that it is a bad practice to fund recurring expenses from fund balance. He also stated that the budget is in good shape. City Manager Reaume explained that there are proposed purchases that have already been discussed that will spend down the fund balance. He stated that one large expense is the flooding at Fire Station One. He explained that a new station has been discussed which could ultimately include costs for design, land purchase, and construction.

Councilmember Farr asked where in the proposed budget is it shown that the IT components have been removed from other departments. Finance Director Quin explained it is show through the transfers on page 23. She added that the IT Department budget includes expenditures as recommended as a result of the IT Consultant Study completed earlier this year. Those items include the implementation of an ongoing computer replacement program; training of personnel; and dues for membership in IT related organizations. She added that the salaries of the two IT employees have been in the budget for multiple years. Councilmember Farr stated that his concern isn't the amount of the expenses but how they are funded. He commented that the proposed budget suggests that the intent is to pay for it with new tax dollars and he does not want that. City Manager Reaume briefly explained the use of sales taxes, property taxes, and user fees. He added that user fees may need to be reviewed prior to the discussions of the 2019-2020 budget.

City Manager Reaume stated that this is his first proposed budget. He explained that he is open to feedback from the Council regarding the budget process going forward. He added that he has enjoyed the process.

Mayor Flippo stated that a new approach was taken in the preparation of the 2018-2019 fiscal year budget. He explained that in the past instead of multiple workshops, a one day workshop was held on a Saturday. He asked the Council for their feedback and preferences on the process.

- (7) CC-0918-16
Consideration and Action regarding Resolution No. 2018-20, Adoption of Budget for Fiscal Year 2018-2019

Motion was made by Councilmember Farr that we reduce M&O tax revenue by \$598,230 and fund both the proposed IT and Economic Development Department expenses as a one time expense from surplus totaling \$598,230 in FY19, and consider them eligible as an ongoing expense in FY20. Motion died for lack of a second.

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Tankersley to approve Resolution No. 2017-20 adopting the budget for the fiscal year 2018-2019. Motion carried. 6-1-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Tankersley, Tucker, Bighorse, and Copeland

Against: Councilmember Farr

Abstain: None

Absent: None

- (8) CC-0918-17
Consideration and Action to Ratify the Adopted 2018-2019 Fiscal Year Budget

City Attorney Meredith explained that taking action to ratify the adopted budget is necessary because the adopted budget will generate more total revenue than received in the current fiscal year budget.

Motion was made by Councilmember Tankersley with a second by Councilmember Bighorse to ratify the adopted 2018-2019 fiscal year budget. Motion carried. 6-1-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Tankersley, Tucker, Bighorse, and Copeland

Against: Councilmember Farr

Abstain: None

Absent: None

- (9) CC-0918-18
Consideration and Action regarding Ordinance No. 2018-14, Adopting and Setting the Property Tax Rate for the 2018 Tax Year

Motion was made by Councilmember Bighorse with a second by Councilmember Tankersley that the property tax rate be increased by the adoption of the tax rate of 0.471800 (47.18 cents), which is effectively a 3.84% increase in the tax rate for the 2018 tax year as stated in Ordinance No. 2018-14. Motion carried. 6-1-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Tankersley, Tucker, Bighorse, and Copeland

Against: Councilmember Farr

Abstain: None

Absent: None

- (10) CC-0918-19
Consideration and Action regarding Ordinance No. 2018-15, Wastewater Service Rates

City Manager Reaume explained that the City of Saginaw purchases water from the City of Fort Worth. Fort Worth has proposed a 3.35% increase in wholesale water rates for all their customers as well as an 8.46% increase in wastewater rates. The City of Fort Worth bills the City of Saginaw for wastewater treatment based on the strengths and volume that pass through the system. He explained that the 2018-2019 fiscal year budget includes no increase in water rates and an 8% increase in wastewater rates. He added that Ordinance No. 2018-15 addresses the increase in wastewater rates. Councilmember Farr pointed out that the City has been absorbing most of the water and wastewater increases for the past several years instead of increasing water and wastewater rates for customers.

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Tankersley to approve Ordinance No. 2018-15, revising the wastewater service rates. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (11) CC-0918-20
Consideration and Action regarding Ordinance No. 2018-16, Approving an Increase to the Texas Municipal Retirement System (TMRS) Contribution Rate from 6% to 7% beginning January 1, 2019

City Manager Reaume stated that this item was discussed during one of the budget workshops. He explained that city employees currently contribute 6% of their earnings and the City matches that contribution at a rate of 2 to 1. He stated that the proposed ordinance increases the employee's contribution to 7%. He stated that funds are included in the 2018-2019 budget to cover the 1% increase plus the 2 to 1 match so that the increase doesn't result in a pay cut for employees. He added that employees are not receiving pay raises this year. He explained that this increase will make

the City more competitive with surrounding, similar size cities, and put the City in a better position to recruit and retain qualified employees.

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Tankersley to approve Ordinance No. 2018-16, increasing the employee TMRS contribution rate from 6% to 7% beginning January 1, 2019 and continuing the City's 2 to 1 match, the 100% repeating updated service credit, and the 70% repeating annuity increases. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

(12) CC-0918-21
Public Hearing – Presentation of Revised Budget for Fiscal Year 2017-2018

Mayor Flippo declared the public hearing for this item opened at 7:19 p.m. Finance Director Quin briefly explained the proposed revised budget for fiscal year 2017-2018. She stated that the budget is revised twice each year. Once at mid year and then at year end. She explained that this allows the capture of the items approved throughout the year by the City Council. Mayor Flippo called for any public input. There was none. Mayor Flippo declared the public hearing closed at 7:22 p.m.

(13) CC-0918-22
Consideration and Action regarding Resolution No. 2018-21, Adoption of Revised Budget for Fiscal Year 2017-2018

Motion was made by Councilmember Copeland with a second by Councilmember Tankersley to approve Resolution No. 2018-21, adopting the revised budget for the fiscal year 2017-2018 as presented. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

(14) CC-0918-23
Consideration and Action regarding Ordinance No. 2018-17, Rental Registration and Inspection Program

Chief Building Official McMillin gave a brief presentation regarding the proposed Rental Registration and Inspection Program. He explained that the intent of the program is to protect the health, safety, welfare and property of the occupants of rental dwelling units. He also explained that he proposed ordinance is the result of the workshop

discussion held with the City Council in April. He stated that included in the proposed ordinance is an effective date of January 1, 2019. He explained this will allow time for staff to implement the program and educate the public.

Motion was made by Councilmember Farr with a second by Councilmember Tankersley to approve Ordinance No. 2018-17, Rental Registration and Inspection Program. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (15) CC-0918-24
Consideration and Action regarding Contract Amendment with a One Year Extension for Waste Connections to continue Solid Waste and Recycling Collection Services; and Discussion of Fully Automated Service

Note: This item was discussed immediately following Item No. 5.

- (16) CC-09918-25
Consideration and Action regarding Ordinance No. 2018-18, amending Master Fee Schedule by updating fees for Residential Garbage Service, and adding fees for Special Event Permit and Rental Registration and Inspection Permits; and removing Library Fees for Past Due Materials

City Secretary England stated that Ordinance No. 2018-18 amends the Master Fee Schedule. She explained that it updates the residential garbage service rate; adds the fee for Special Event Permits, and Rental Registration and Inspection Permits; and removes the Library fees for past due materials as recommended by the Library Board during the recent budget discussions.

Councilmember Farr stated that, prior to next year's budget, he would like a review of all fees for consideration of increasing the fees to help offset the costs for the IT Department.

Motion was made by Mayor Pro-Tem Flory with a second by Councilmember Bighorse to approve Ordinance No. 2018-18, amending Master Fee Schedule by updating fees for Residential Garbage Service, and adding fees for Special Event Permit and Rental Registration and Inspection Permits; and removing Library Fees for Past Due Materials. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

(17) Executive Session

1 § 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

- a. Any Posted Item

(18) Adjournment

Motion was made by Councilmember Tankersley with a second by Councilmember Tucker to adjourn the meeting. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Flory, Councilmembers Farr, Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

Mayor Flippo declared the City Council Meeting of September 18, 2018 adjourned at 7:41 p.m.

ATTEST:

APPROVED:

City Secretary Janice England

Mayor Todd Flippo