

Village of Salado
Salado Municipal Building
301 North Stagecoach Road
Salado, Texas
Minutes of Regular Meeting of Board of Aldermen
September 20, 2018 at 6:30 p.m.

The Board of Aldermen meeting was called to order at 6:30 p.m. by Mayor Skip Blancett.

Larry Sands gave the Invocation and the Board of Aldermen led the Pledge of Allegiance to the United States and Texas flags.

Board Members Present: Mayor Skip Blancett, Mayor Pro-tem Fred Brown (arrived at 7:14 p.m.), Aldermen Andy Jackson, Michael Coggin, Frank Coachman, and Michael McDougal.

Salado High School Representative Present: Grace Barker

Staff Present: Village Administrator Don Ferguson and City Secretary Cara McPartland

Citizens Communications

Peter Stebbins of 1206 Ambrose Drive expressed concerns regarding current and future traffic issues related to Mill Creek Meadows Phase II construction activity. He said the developer, Billy Helms, responded favorably to a letter regarding traffic/noise issues. Mr. Stebbins had additional concerns about the negative impact of future vehicle traffic on safety and property values when the entire subdivision has been completely built. He spoke of a petition submitted to the Village containing sixty-one (61) signatures of concerned residents who live along Ambrose Drive and Hester Way. Mr. Stebbins conveyed comments from petition signers relating to speed and safety issues for residents and their pets and past Bell County recommendations made prior to approval of the subdivision. He said Village Administrator Ferguson discussed this issue with him and noted certain measures that could be taken, such as posting additional speed limit signs, imposing vehicle weight/size limits, and possible scheduling of a special meeting with affected property owners. Mr. Stebbins spoke of his conversation with developer Billy Helms, who indicated truck drivers have been instructed to use the construction entrance. He stated that Mr. Helms has agreed to give Bell County additional right-of-way to expand and pave Marie Lane. He indicated Mr. Helms also committed that upon starting Phase III, there will be two more exits to Marie Lane. Mr. Stebbins was concerned that ten existing dead-end streets will overburden thoroughfares when those streets are fully built out.

Jodie Lander of 1012 Mill Creek Drive spoke of her reasons for moving to Salado, including its proximity to Scott & White medical facilities, quality of schools, the area's uniqueness and beauty, its status as a golf cart community, the integrity of Main Street, preservation of Salado's history, and its sewer system. She felt that the sewer will be of benefit in future years to all Main Street businesses. She said nothing was known about the Sanctuary, petitions to disannex, and private ownership of Sherrill Park. She spoke of her efforts to become educated about issues in order to base opinions on facts, not community hearsay. She expressed her disappointment with the

Sanctuary development agreement. Mrs. Lander was concerned about the Comprehensive Plan update and hoped the Comprehensive Plan Update Committee will look at the total good of the community and preserve what makes Salado so unique, including the downtown area and walkability. She asked the Board to be careful with change and listen to the people of Salado.

1. Consent Agenda

- A. Approval of minutes of the Regular Board of Aldermen meeting of September 6, 2018.
- B. Approval of minutes of the Special Board of Aldermen meeting of September 4, 2018.
- C. Approval of minutes of the Special Board of Aldermen meeting of September 13, 2018.
- D. Approval of the August 2018 Financial Statements for the Village of Salado.
- E. Approval of the FY 2018 Quarterly Investment Reports for the Village of Salado.
- F. Approval of the reappointment of David Broker to the Bell County Health District Board of Directors.
- G. Approval of the declaration of .40 and .45 caliber ammunition originally purchased for the Salado Police Department as surplus property and authorizing the sale of the surplus ammunition to *GT Distributors* of Austin.

Alderman McDougal moved to approve the Consent Agenda, as presented. Alderman Jackson seconded. Motion carried on a vote of 4-0.

2. Village Administrator's Status Report

- Status report on the wastewater project

Village Administrator Ferguson reported collection system crews are finished working on West Village Road, with some final clean-up underway. He said crews will be returning to Main Street next week to install the low-pressure main on the east side of Main Street and to begin work on the lift stations on Royal and Church Streets. He anticipated asphalt repairs on Royal Street next week to be followed by chip sealing. Estimates are being obtained for Church Street improvements. He displayed progress on work at the treatment plant site and expected wastewater project completion in January 2019.

In addition, Village Administrator reported that the Village's September sales tax check, representing July collections, totaled almost \$38,000. Although this figure is down from the same period last year, he explained it was due to an audit adjustment made by the State that artificially bumped up last September's check. He noted comparison of this year's versus last year's September checks would show an increase in collections, if the audit adjustment were removed from the analysis. Year-to-date collections are up about eleven percent (11%) from the same period last year.

- Status report on the Board of Aldermen Activity Report

Village Administrator Ferguson cited a modest number of new regulatory ordinances (as opposed to amendments to existing ordinances) were approved from 2014 to 2018.

Village Administrator Ferguson reported that Bell County's final bill for recent road work came in at about \$26,000, which was well under original estimates.

- Status report on the Salado Vista TPDES permit application

This item was heard after the status report on the E-T-J Boundary Project. Village Administrator Ferguson reported that a letter expressing the Village's opposition has been sent to TCEQ in accordance with the Board's direction given at its last regular meeting. He said the permit applicants cancelled a meeting to have been held among various entities, but felt that a future meeting will likely be scheduled once the draft permit has been issued. He explained TCEQ's permitting process, which includes a technical review, followed by issuance of a draft permit, and opportunities for public comments.

- Status report on the E-T-J Boundary Project

Village Administrator Ferguson reported a meeting is planned with managers and planners from surrounding cities such as Killeen, Belton, and Jarrell, to resolve certain overlap issues, and to maintain and protect Salado's boundaries.

Discussion addressed serious safety concerns regarding construction traffic referenced during Citizen Communications and initiation of the upcoming re-zoning process for certain properties. He thanked Mrs. Lander for her earlier comments and explained procedures for updating the Comprehensive Plan, which will not be a complete re-write of the Plan. He noted that the Comprehensive Plan Update Committee's meetings will be posted and open to the public to provide opportunity for input.

3. Ordinances

- A. Discuss and consider action regarding an ordinance of the Village of Salado adopting the Fiscal Year 2019 Budget; declaring findings of fact; providing an effective date; providing a severability clause; and providing an open meetings clause. (*Village Administrator*)

Village Administrator Ferguson reviewed key budget adoption milestones, noted two minor amendments, and recommended approval of the Fiscal Year 2019 Budget.

Alderman McDougal moved to approve the ordinance adopting the Fiscal Year 2019 Operating Budget, which includes the aforementioned minor amendments, and requires raising more revenue from property taxes than in the previous year at a proposed tax rate of \$0.627600 per \$100 assessed valuation. Alderman Coachman seconded.

Mayor Blancett called for a vote as follows: Alderman Jackson, aye; Alderman Coggin, aye; Alderman Coachman, aye; and Alderman McDougal, aye. Motion carried on a vote of 4-0.

- B. Discuss and consider approval of an ordinance of the Village of Salado, Texas, setting a property (ad valorem) tax rate; approving the ad valorem tax rate of \$0.627600 per one hundred dollars (\$100) of assessed valuation of all taxable property within the corporate

limits of the Village for the 2018 Tax Year to help fund the Fiscal Year 2019 Operating Budget for the Village of Salado; providing for an exemption on residence homesteads; providing for exemptions for individuals who are disabled or 65 years of age or older; providing for penalties and interest; providing for severability; providing for repealing conflict; providing for proper notice & meeting; providing for engrossment & enrollment; providing for notification to assessor; and providing for publication & effective date.
(*Village Administrator*)

Village Administrator Ferguson explained the proposed 2018 Tax Year tax rates, which will raise more property taxes than last year's budget by approximately \$242,000, with about \$20,000 in tax revenue to be raised from new property added to the tax roll. He stated that an owner of a home with a taxable value of \$250,000 would pay approximately \$219 more per year in Village taxes. It was noted that the tax increase would fund the debt service payments for the remaining wastewater construction bonds issued earlier this year. He advised the M & O tax rate remains unchanged. He reminded that two public hearings have been held on this item and approval of this ordinance requires a record vote of the Board.

Alderman Coachman moved to approve the ordinance setting an ad valorem tax rate of \$0.627600 per one hundred dollars (\$100) of assessed valuation of all taxable property within the corporate limits of the Village for the 2018 Tax Year, as presented. Alderman Jackson seconded.

Mayor Blancett called for a vote as follows: Alderman McDougal, aye; Alderman Coachman, aye; Alderman Coggin, aye; and Alderman Jackson, aye. Motion carried on a vote of 4-0.

4. Discussion and Possible Action

- A. Discuss and consider possible action approving plans for the *Salado Food and Wine Experience at the Barton House* on October 26-28, 2018. (*Village Administrator*)

Village Administrator Ferguson provided information on the event hosted by owners of the Barton House, including event activities, parking, trash collection, and on-site security. He noted that event organizers will keep Rock Creek Road open throughout the festival so as to not inconvenience residents and business owners. Clinton Harwell of Barton House detailed certain event activities, such as wine dinners, wine/beer/culinary specialties samplings, and educational seminars.

Mayor Pro-tem Brown arrived and joined the meeting at this time (7:14 p.m.).

Alderman Jackson moved to approve plans for the *Salado Food and Wine Experience at the Barton House* on October 26-28, 2018. Alderman McDougal seconded. Motion carried on a vote of 5-0.

- B. Discuss and consider possible action approving the route for the *Salado Christmas Stroll Parade*. (*Village Administrator*)

Village Administrator Ferguson advised the parade will take place on November 29, 2018 at 6 p.m., with the route starting near Center Circle/Royal Street and ending at the Salado Civic Center.

He noted that the Salado Police Department will provide traffic control and recommended approval. Parade organizer Deanna Whitson spoke briefly on the parade and Mayor Blancett thanked her for her work on this event.

Alderman Jackson moved to approve the *Salado Christmas Stroll Parade* route, as presented. Alderman Coachman seconded. Motion carried on a vote of 5-0.

C. Discuss and consider possible action regarding a proposed amendment to the Wastewater Service Extension Policy for the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson stated the Village has received a request from a developer to allow for reservation of wastewater treatment capacity for a period of six (6) years, instead of the four-year reservation period specified in the recently approved Wastewater Service Extension Policy.

Developer Bear Rosamond spoke of the existing Wastewater Service Extension Policy as unusual and not friendly to developers, as he said banks will not commit to funding the development portion, if subject to a four-year timeline. He said banks look out for their interests and do not want the prospect of foreclosing on a property with no sewer commitment. He felt the policy favors large developers who can finance property development out of their own pockets and cautioned such developments may not be the types wanted in Salado. Mr. Rosamond said he lives here, his children attend school here, and he will develop a product the Board will like. He spoke of his willingness to annex into the Village, which would help increase the Village's tax base, encouraged the Board to remove the four-year timeframe completely, and felt consideration on a case-by-case basis would be better for developers and the Village. He said it is not in his best interest to drag out this development and felt that it could be completed in less than five years, however banks will not lend based on his feelings about the timeframe.

Mayor Pro-tem Brown asked Mr. Rosamond to elaborate on discussions with certain banks. Mr. Rosamond indicated that bankers warned against doing business inside the Village limits, as the project might be held up. Mr. Rosamond understood the Village's position on the policy, but said the norm is to pay when building permits are pulled. He stated he is willing to pay for connection to the sewer, but is only asking for a letter of commitment. Village Administrator Ferguson asked whether bankers would be amenable to having Mr. Rosamond include the reservation of capacity into any applicable loan agreement, in the event there is a need to foreclose. Discussion addressed the feasibility of various options that might allay bankers' concerns; payment of fees to reserve capacity after annexation (if located outside Village limits) at the time of application; phased payout options in the existing policy; challenges posed by reserving capacity for long periods of time for some developers; fears that the policy may discourage smaller developments and encourage developers to build in the Village's ETJ; ability to reserve capacity for individual phases, as opposed to the entire development; assurances to bankers on future capacity, if reservation applications are phased; likelihood that development can be completed in six years; and need for developer to have sewer commitment on entire development.

Mayor Pro-tem Brown moved to amend the reservation period for the Wastewater Service Extension Policy from four (4) years to six (6) years. Motion died for lack of a second.

Mayor Pro-tem Brown said no one else is waiting and shovel-ready to help pay for our sewer system and felt it is a travesty to let this deal collapse. Discussion addressed the ability of the Village to negotiate wastewater capacity reservation under separate agreements; finding a workable solution for developers under said agreements; negative comments from bankers on the policy; and concerns regarding loss of tax revenue to the Village when developments that use Village services are built in the ETJ. No action was taken.

- D. Discuss and consider possible action approving the Amended Fiscal Year 2018 Operating Budget for the Village of Salado. (*Village of Salado*)

Village Administrator Ferguson explained the need to amend the Fiscal Year 2018 Budget to account for differences in actual expenditures and revenues compared to budgeted expenses and revenues.

Alderman McDougal moved to approve the Amended Fiscal Year 2018 Operating Budget, as presented. Alderman Jackson seconded. Motion carried on a vote of 5-0.

- E. Discuss and consider possible approval of the Comprehensive Fund Balance Policy and the Fund Balance Classification Plan for the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson advised the Village is obligated to review the Policy and Plan annually and recommended no changes. He cited specific fund balance classifications and noted the Board can consider changes to the Policy and Plan at any time.

Alderman Coggin moved to approve the Comprehensive Fund Balance Policy and the Fund Balance Classification Plan, as presented. Alderman Jackson seconded. Motion carried on a vote of 5-0.

- F. Discuss and consider possible approval of the Investment Policy for the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson explained the Board is required to review the Investment Policy annually and recommended no changes to its conservative approach.

Alderman Coachman moved to approve the Investment Policy for the Village of Salado, as presented. Alderman Jackson seconded. Motion carried on a vote of 5-0.

5. Workshop

- A. Discuss and consider issues relating to future subdivision growth in the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson spoke of recent discussions with developers interested in annexation into the Village and connection to the wastewater system. He asked for the Board's direction on economic development and tax incentive policies to help guide potential future development agreements.

Discussion addressed existing phased tax incentives; developers' primary interest in obtaining services, rather than tax incentives; possible payment of park and traffic impact fees; development's impact on community services, whether inside or outside Village limits; planning wastewater capacity; projected cost of additional future capacity; and agreement to keep existing residential exemptions.

- B. Discuss and consider issues relating to the new Salado Wastewater System, including, but not limited to, grinder pumps, the abandonment of septic tanks, and potential connection rebates. (*Village Administrator*)

Village Administrator Ferguson presented possible scenarios for customer incentives such as sharing of grinder pump installation/maintenance costs; 12-month reprieve for decommissioning septic tanks and/or use of those tanks as wastewater system back-up; and possible rebate upon connection.

- C. Discuss and consider issues relating to fire inspections for new construction. (*Village Administrator*)

Village Administrator Ferguson spoke of increased involvement by local fire departments in reviewing new subdivisions and developments and the good working relationships among the Village of Salado, Salado Fire Chief Shane Berrier, Bell County Fire Marshal, and City of Belton Fire Marshal. It was noted the Board will be asked to consider an agreement at its next meeting that would allow for plan reviews and on-site inspections, as well as establishment of inspection fees to cover costs.

Alderman Jackson moved to adjourn. Alderman McDougal seconded.

Adjournment

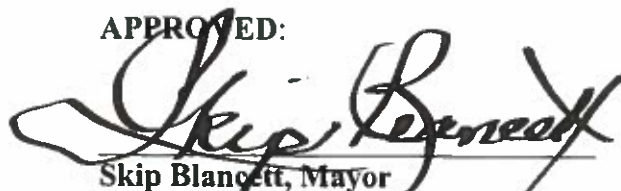
Mayor Blancett called the meeting adjourned at 8:20 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 4th of October, 2018.

APPROVED:


Skip Blancett, Mayor

ATTEST:


Cara McPartland, City Secretary

