

Village of Salado
Salado Municipal Building
301 North Stagecoach Road
Salado, Texas
Minutes of Regular Meeting of Board of Aldermen
October 17, 2019 at 6:30 p.m.

The Board of Aldermen meeting was called to order at 6:45 p.m. by Mayor Skip Blancett.

Mayor Blancett 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 Frank Coachman, and Aldermen Rodney Bell, Amber Preston Dankert, John Cole, and Michael Coggin.

Salado High School Representative: Averie Piatt

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

1. Citizens Communications

Linda Reynolds of 507 Santa Rosa asked the Board to think long and hard before bringing any more empty land into the Village without prepayment from developers for sewer lines and tax abatement deals. She referenced the Sanctuary development and said it has not announced a new date for groundbreaking. She felt that someone on the Board should remind Sanctuary developers that promises were made and agreements were signed in good faith. She questioned whether Sanctuary developers care about the Village, investing in our future, if Main Street suffers, or if businesses close or move to Georgetown.

Will Lowery of 1799 Mill Creek Drive expressed appreciation to the Board for its action at its last meeting relating to wastewater impact fees and for the sincerity of last week's speakers. He felt that concerns were heard and again thanked the Board.

Darlene Walsh of 1001 Mill Creek Drive spoke of her conversation with a resident of West Village Road who was concerned about the financial impact of connecting to the sewer system on his family and livelihood. The resident conveyed concerns to Mrs. Walsh about the possibility of paying penalties for not being financially able to connect. Mrs. Walsh said she told this resident of the need to let the Village know of his concerns, as the Board is considering a hardship program for customers. She asked the Board to think about this person and others similarly affected when discussing a hardship program.

2. Consent Agenda

- A. Approval of minutes of the Regular Board of Aldermen meeting of October 3, 2019.
- B. Approval of the September 2019 Financial Statements for the Village of Salado.

- C. Approval of a donation by Richard Shields with Action Towing of one (1) floor jack, two (2) tough style boxes and six (6) 4-way lug wrenches to the Village of Salado Police Department.

Alderman Bell moved to approve the Consent Agenda, as presented. Alderman Cole seconded. Motion carried on a vote of 5-0.

3. Village Administrator's Report

- Wastewater Project Update

Village Administrator Ferguson reported approximately 50 percent of the properties in the service area have paid impact fees and are connected or are in the process of connection; back-ordered duplex grinder pumps have been delivered and are being installed at a number of locations; drafting of sewer line extension agreement for the Royal Street/Smith Branch Road 54-acre development is underway; and some lift station odor issues, largely reduced by air filters, are being addressed.

- Pace Park Improvement Project

Village Administrator Ferguson reported on work to address safety concerns, including removal of the broken spring horse, adding safety signage, and removing tripping hazards. He advised there is no need to close the park according to inspectors. He said grant funding options are being explored with Texas Parks and Wildlife for playground/recreation facility replacement. He noted mowing is under way on the lower end of the park.

- Tree Trimming Project

Village Administrator Ferguson reported this year's list of locations to be trimmed is being prepared. He advised that one to two contractors will be raising the canopy over the rights-of-way and roadways to 15-17 feet. He said contractors will work with property owners, as needed, and will complete work by February 2020 to minimize the spread of oak wilt. Discussion between Alderman Dankert and Village Administrator Ferguson established that tree trimming efforts are an ongoing annual process that will take about 3 years to cover the entire Village.

- Drake Land Development LLC Property Annexation

Village Administrator Ferguson reported the public hearing has been rescheduled to allow for additional notice time and the property owner has signed off on a future service plan for the area to be annexed. He noted that the public hearing notice will be published in the newspaper and required provider notices will be mailed next week. He advised the public hearing is rescheduled for Thursday, November 7, 2019 at 6:30 p.m. at the Salado Municipal Building, with Board action on the annexation ordinance scheduled after the public hearing. He anticipated Board consideration of the extension agreement to occur at the Board's November 7th meeting, as the developer is anxious to move forward.

- Main Street Improvement Project

This report was heard after the Sales Tax Collections report.

Village Administrator Ferguson reported crews are cutting paths for sidewalk installation to occur in the coming weeks. He said crews are staying on schedule, with their goal to complete work from the Main Street bridge to College Hill, including sidewalks, drainage, and some lighting in time for Stroll. He said the final surface overlay will be done at the end of the entire project.

- Salado Christmas Stroll

Village Administrator Ferguson reported on Stroll preparations and noted the Stroll Parade is scheduled at the same time as the Board's regular December 5th meeting. He provided Stroll dates and advised the contractor will not work on Fridays during Stroll and will stop construction activity about 3:00 p.m. on the day of the Stroll Parade.

- Sales Tax Collections

This report was heard after the Drake Land Development LLC property annexation report.

Village Administrator Ferguson reported receipt of the October 2019 sales tax check totaling \$37,225, representing August 2019 collections, a decrease of about 8 percent from the same period last year, due to a significant audit adjustment in last year's October check. He noted that after accounting for the audit adjustment, collections are up about 6 percent from last October, with fiscal year to date collections representing about 9 percent at the 8 percent mark in the current budget.

In addition, Village Administrator Ferguson reported on a meeting held this week with representatives of the groundwater district and Texas Parks & Wildlife to discuss holding an educational meeting to bring property owners along Salado Creek together to clear up any misunderstandings relating to what type of work can be done in or adjacent to the creek, which is within an environmentally sensitive area that is subject to federal, state, and local regulations.

Mayor Blancett spoke of the success of Christmas in October and Sirena Fest/Parade events, with no complaints heard from vendors. In response to Alderman Coggin, Village Administrator Ferguson replied that the contractor is awaiting delivery of solar equipment for the IH-35 gateway signs.

4. Ordinances

- A. Consider approval of first reading of an ordinance of the Village of Salado, Texas, amending Ordinance No. 2018-12 regarding impact fees for wastewater improvements that are attributable to new development in the City's proposed wastewater impact fee service area; providing for an effective date, severability; repealer and proper notice and meeting. (*Village Administrator*)

Village Administrator Ferguson explained key provisions of the proposed ordinance, including removing the requirement for existing properties in the initial service area to be subject to impact

fees; effective date; and increasing the impact fee from \$3,750 to \$5,152 per LUE for new development.

Discussion included impact fees collected to date; refunding process to be addressed in a separate agenda item after second reading of ordinance (if approved); effect of impact fee elimination on current budget, which would require finding \$71,000 in the General Fund to maintain current budget commitments; higher impact fees for new developments may not be used to reduce existing debt service; possible attorney expenses if impact fees face legal challenges; and increased revenue that could be allocated for debt service as more customers are added to system.

Alderman Bell moved to adopt the first reading of this ordinance, as presented. Alderman Dankert seconded. Motion carried on a vote of 5-0.

- B. Consider approval of first reading of an ordinance of the Village of Salado, Texas, amending Ordinance No. 2018-13 regarding mandatory connection to a public wastewater system; providing for an effective date, severability; repealer and proper notice and meeting. (*Village Administrator*)

Village Administrator Ferguson explained key provisions of the proposed ordinance, including deletion/modification of certain civil and criminal penalties, with the civil remedy to include injunctive relief. He said the Board may want to consider addressing the issue of connection deadlines at the ordinance's second reading.

Discussion addressed the advisability of entirely eliminating criminal penalties per Board direction based on expressed concerns; typical practice of including civil and criminal penalties in ordinances; and ability of the Board to leave penalties in place, but to amend penalty amounts.

Alderman Coggin stated his understanding of the proposed ordinance and asked if the proposed ordinance makes connection optional at customer's request or mandatory. Village Administrator Ferguson replied that the proposed ordinance mandates connection and allows the Village the option to seek possible injunctive relief to enforce connection, but removes certain criminal penalties. He reminded that treatment plant maintenance and operations costs are covered through monthly revenue. He noted that reasons for mandatory connection are to fund operations and maintenance, as well as environmental protection, and without mandatory connection, any revenue shortfall would have to come from the Village's General Fund.

Alderman Bell stated his understanding that the original ordinance allowed the Village to connect non-compliant properties to the system and place liens on properties, if needed, to cover the cost of connection. Village Administrator Ferguson said that was pulled from the ordinance due to concerns expressed about "strong arming." Alderman Cole felt that by eliminating the impact fee the Board has shown good faith in helping people get connected.

Alderman Coggin moved to rescind the proposed ordinance in its entirety. Alderman Bell seconded to have discussion on the motion. Alderman Coggin said that even though criminal penalties have been removed, the Village still has the ability to penalize people under vague application of this ordinance. He favored encouraging, rather than mandating, people to connect.

Village Administrator Ferguson stated that ordinances with no enforcement provisions and leave everyone dangling in a state of uncertainty. He said the proposed ordinance follows the Board's direction and leaves a potential civil remedy in place and said the Board could consider a reduced civil penalty that is capped. Alderman Bell felt that any such cap should not exceed the impact fee amount. Alderman Dankert said that civil penalties are worthless, have no teeth, and cause the Village to pay legal expenses. She noted that the Village's numbers are based on mandatory connections, which were recommended by attorneys and previous administrations from the inception of the project. She cautioned against shortfalls created by not mandating connection and requiring payment of impact fees that may have to be paid through increased rates. Village Administrator Ferguson reminded that there are people who have already connected under the assumption that connection is mandatory. Alderman Dankert favored keeping the mandatory connection provision in place with some sort of penalty, as the "carrot" approach would not work.

Alderman Coggin spoke of his conversation with a property owner who cannot afford impact fees, plumbing costs to connect, decommissioning of her septic system, and the monthly service bill. He said she is also paying taxes for the sewage treatment plant. He said concerns over costs apply to both big and small customers. Alderman Cole questioned the fairness of putting the burden on taxpayers who are not benefitting from the sewer system. Alderman Coggin felt the system is not fair. Alderman Bell agreed with Alderman Dankert that there needs to be some teeth in the ordinance, but felt that a \$5,000 penalty per day is too high. He favored a lower per day penalty up to a specified maximum amount and keeping the mandatory connection with a criminal penalty, because he said it would be difficult to find a civil court judge who would rule in favor of a municipality. Mayor Blancett asked if there is a benefit to reaching a compromise solution for those who prove inability to pay. Village Administrator Ferguson said that owners in the initial service area can be given the option to connect vacant properties or reserve capacity by paying a reservation fee. He said a hardship program is needed for plumbing costs and monthly service fees that some may find difficult to pay. Alderman Dankert felt that if you use utilities, you should pay for them, and noted that people have had 5 to 6 years to prepare for connection to the system.

Hearing no further discussion, Mayor Blancett called for a vote on Alderman Coggin's previously stated motion to rescind the proposed ordinance in its entirety, which was seconded by Alderman Bell. Motion failed on a vote of 1-4, with Alderman Coggin voting in favor.

Mayor Pro-tem Coachman moved to reinstate the ordinance as it is currently written with a maximum \$100 per day criminal fine and a civil penalty of not less than \$50 per day and not more than \$100 per day. Alderman Cole seconded.

Discussion between Village Administrator Ferguson and Mayor Pro-tem Coachman clarified that the intent of the motion was to keep the lien provision and not place a ceiling on the amount of fines that could accrue in order to maximize incentive for connection. Alderman Bell agreed with the daily fine/penalty amounts, but felt that there should be a ceiling, such as the per LUE impact fee amount of \$5,152. Mayor Pro-tem Coachman favored requiring payment of the impact fee if the connection deadline is not met and allowing customers to credit any paid fines or penalties toward the impact fee. Mayor Pro-tem Coachman said the ordinance, if approved on second reading, would not go into effect until the new deadline to connect, which he anticipated to be at the end of this year.

Hearing no further discussion, Mayor Blancett called for a vote. Motion carried on a vote of 3-2, with Aldermen Bell and Coggin voting against.

Mayor Pro-tem Coachman clarified for Village Administrator Ferguson that the legislative intent is that the total penalty amount shall not exceed the total impact fees due for the subject property.

5. Discussion and Possible Action

A. Discuss and consider possible action regarding the appointment of members to the Historic Overlay District Task Force. (*Village Administrator*)

Village Administrator Ferguson explained the Board needs to appoint five members to the task force, which the Board voted to create at its October 3, 2019 meeting. The membership would be composed of:

- Two members from the Salado Historical Society
- One member of the Planning and Zoning Commission
- One member of the Board of Aldermen
- One owner of property located within the Village's historic area

He stated that no names have been submitted to date, but noted the Historical Society and the Planning and Zoning Commission will be submitting their nominees for the task force. He advised the Board needs to consider appointing one alderman to a position on the task force, as well as submitting one historic area property owner name.

Mayor Blancett requested input from the Board and Mayor Pro-tem Coachman asked audience member, Vic Means, if he would be interested in serving on the task force as the representative for historic area property owners. Mr. Means replied affirmatively.

Mayor Pro-tem Coachman moved to appoint historic area property owner Vic Means to the Historic Overlay District Task Force. Alderman Bell seconded. Motion carried on a vote of 5-0.

Mayor Blancett called for any alderman volunteers to serve on the task force. Alderman Bell asked Alderman Cole if he would be willing to serve. Discussion addressed possible meeting frequency and schedule. Alderman Cole agreed to serve on the task force. Alderman Bell moved to nominate Alderman Cole to serve as the Board of Aldermen representative on the task force. Mayor Pro-tem Coachman seconded. Motion carried on a vote of 5-0.

B. Discuss and consider possible action casting votes for directors of the Bell County Appraisal District Board. (*Village Administrator*)

Village Administrator Ferguson explained that the Board has an opportunity to vote for one member on the Bell County Appraisal District Board of Directors for a two-year term beginning January 1, 2020. He noted that Jared Bryan, the incumbent representative for small cities, which includes the Village of Salado, has expressed interest in reappointment to the board. He noted that the Board may cast its vote for Mr. Bryan, offer the name of any person of their choosing, or not

vote at all. He clarified that this is a management, policy-setting board for the appraisal district and is not the appraisal review board. Discussion addressed the advisability of voting in favor of Mr. Bryan's reappointment.

Mayor Pro-tem Coachman moved to approve recommending the reappointment of Village's representative on the Board, Jared Bryan, for a two-year term beginning January 1, 2020. Alderman Dankert seconded. Motion carried on a vote of 4-1. Alderman Coggin voted against.

- C. Discuss and consider possible action authorizing the Village Administrator to acquire and install a flag pole at the Municipal Building and amending the Fiscal Year 2020 Operating Budget to reflect the unbudgeted expenditure. (*Alderman Rodney Bell*)

Village Administrator Ferguson advised the total proposed cost is anticipated to be \$2,400. Discussion established that the Municipal Building location is unlikely to change for the foreseeable future. Salado High School Representative Averie Piatt recommended that the Village speak to local a Boy Scout troop about the possibility of a service project. The Board and staff felt that Ms. Piatt's suggestion was an excellent idea. Village Administrator Ferguson noted the flagpole's proposed location, approximate height, flag size, and lighting.

Alderman Bell moved to direct Village Administrator Ferguson to pursue a service project with a local scout troop for the acquisition and installation of a flag pole at the Municipal Building. Alderman Dankert seconded. Alderman Dankert favored drawing out a limited number of expectations as direction for the project. Motion carried on a vote of 5-0.

6. Workshop

- A. Discuss and consider issues relating to the development of a hardship program for certain property owners required to connect to the Salado Wastewater System. (*Village Administrator*)

Village Administrator Ferguson requested direction from the Board on developing a hardship program, specifically, which customers the Board seeks to identify and target as beneficiaries of the program, funding sources/partnerships, and types of costs/fees to address such as impact fees, plumbing costs, or monthly service bills. He asked for input on options such as discounts, payment plans, late fee waivers, payment scheduling, and possible bulk bid from outside contractor(s) for guaranteed pricing on plumbing connection costs.

Alderman Dankert questioned why a hardship program should be considered for impact fees and favored looking at what other utility providers offer for similar programs. She favored exploration of the bulk bid rate from plumbing companies to help lessen connection costs.

Alderman Bell agreed with Alderman Dankert's comments regarding bulk bid pricing and said the program should only be for those customers inside the original service area. Mayor Pro-tem Coachman agreed with Alderman Bell and in addition said the program should only apply to residential properties. Discussion addressed residential, low- and high-impact base rates of \$20, \$40, and \$60, based on customer class, and volumetric rate, which is the "per 1,000 gallon" charge.

Alderman Coggin felt there should be recognition of “micro users” as another category to fairly charge wastewater rates. Village Administrator Ferguson explained the winter averaging method to calculate residential rates. Mayor Pro-tem Coachman favored obtaining bulk bid pricing from plumbing contractors to help with connection costs. Discussion established that bond funds cannot be used for this proposed program; types of common hardship assistance; variable nature of plumbing costs due to factors such as trenching through rock or around trees; need to inventory list of unconnected properties that plumbing contractors can base bulk pricing on; identifying the targeted beneficiaries of a hardship program; typical hardship program focus on monthly user bills; and definition of hardship and its application to connection costs versus monthly user fees. Village Administrator Ferguson stated his understanding of Board direction to pursue obtaining bulk bid pricing from plumbing contractors and exploring modified rate structure for certain classes of customers. Alderman Dankert favored looking at other utility providers’ practices and cautioned against setting a precedent, as people may claim a hardship whether or not it is needed. Village Administrator Ferguson agreed on the need to be cognizant of what other utilities providers (such as trash service, electricity) in the community are offering. Alderman Coggin said that unlike other utilities, people with functioning septic systems are being required to connect to a wastewater system. Alderman Bell favored a program targeting those in the original service area, who are over 65 years of age, and on fixed incomes that do not meet certain income qualifications. Mayor Pro-tem Coachman favored looking at other cities’ programs and only offering such a program to residential customers. Alderman Coggin said if customers do not need to connect they should not have to.

B. Discuss and consider issues relating to the development and designation of an official flag for the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson advised that local artist Troy Kelley recommended that the Village designate an official flag to be displayed on the so-called “island” across from the entrance to Mill Creek and IH-35, which would be flown with U.S./State of Texas flags, and be landscaped by Keep Salado Beautiful. Mr. Kelly’s proposed flag design was displayed. Village Administrator Ferguson requested the Board’s direction on both the designation of an official flag and the design of said flag, which is being provided at no cost by Mr. Kelley. Discussion addressed possible donations to fund flag development, design preferences, and need for more design options that the Board may consider.

Adjournment


Alderman Bell moved to adjourn. Mayor Blancett called the meeting adjourned at 8:24 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 7th of November, 2019.

APPROVED:


Frank Coachman, Mayor Pro Tem

ATTEST:


Cara McPartland, City Secretary

