

**Village of Salado**  
**Salado Municipal Building**  
**301 North Stagecoach Road**  
**Salado, Texas**  
**Minutes of Regular Meeting of Board of Aldermen**  
**August 18, 2022 at 6:30 p.m.**

The Board of Aldermen meeting was called to order at 6:30 p.m. by Mayor Michael Coggin. *The meeting was conducted in person and using videoconferencing. Public participation was available via videoconference.*

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

Board Members Present: Mayor Michael Coggin, Mayor Pro-tem Rodney Bell, Aldermen Paul Cox, John Cole, D. Jasen Graham, and Jason Howard attended in person.

Staff Present: Village Administrator Don Ferguson, Assistant Village Administrator Stacey Ybarra, and City Secretary Cara McPartland.

### **1. Citizens Communications**

Larry Sands of 3901 Chisholm Trail asked those present to ponder the question: “Why did you move to Salado?” Mr. Sands spoke of his history as a Salado resident/property owner, his reasons for moving here, and his involvement in the Salado Historical Society, along with his wife, Cathy Sands. He recalled historic designations made in the 1980s and later concerns regarding Belton’s expansion toward Salado that prompted discussion of incorporation and preparation of a survey. He said there are 49 properties with historical place/landmark markers in Salado. He asked the Board to consider Salado’s unique history and the importance of preserving its historical value, as Salado is poised for growth in the next five years.

Vic Means of 305 N. Main Street spoke of the forethought of the Salado Historical Society to protect Salado’s history prior to incorporation and of continued work after incorporation, including development of zoning/subdivision regulations. He cited the importance of HD zoning protection and asked the Board to carefully consider rezoning decisions, such as tonight’s Agenda Item 7, as he felt approval may make it much easier for HD-zoned property owners to rezone in the future.

Bev Turnbo of 349 College Hill Drive spoke of her history as a Salado resident, reasons for moving here, and Salado’s intentional focus on its historic past. She referenced the 2007 publication of a book authored by her husband, Charles Turnbo, titled *Salado, Texas-Frontier College Town*. She cited important historical stories from the book, Salado’s reputation as the “Athens” of Texas, and its special atmosphere. She noted that Salado native Liz Carpenter wrote the book’s foreword, which included the saying “with great privilege comes great responsibility,” and hoped the Board’s overarching goal will be to protect the history, character, and integrity of our Village and that focus on protection will be the guiding light that illuminates all of its decisions.

## 2. Consent Agenda

- A. Approval of minutes of the Regular Board of Aldermen meeting of August 4, 2022.
- B. Approval of minutes of the Special Board of Aldermen meeting of August 4, 2022.
- C. Approval of the July 2022 Financial Statements for the Village of Salado.

In response to Alderman Cole's questions regarding playground donations and wastewater system expenditures, Village Administrator Ferguson replied that said donations are held in a separate fund for the all-abilities playground project and wastewater expenditures were for previously approved repairs on Peddlers Alley. Mayor Pro-tem Bell moved to approve the Consent Agenda, as presented. Alderman Cole seconded. Motion carried on a vote of 5-0.

## 3. Discuss and Consider Possible Action Regarding Any Item Removed from the Consent Agenda

No items were removed.

## 4. Discuss and consider possible action regarding the Proposed Ad Valorem Tax Rate to help fund the FY 2023 Village of Salado Operating Budget.

Village Administrator Ferguson explained the Board is required to take a public vote on the proposed rate, in order to proceed with public notification prior to public hearings. He stressed that the following rates listed in the Mayor's proposed budget filed last week are simply a proposal, as the Board will be presented with a plan to bring the debt service tax rate down considerably based on anticipated wastewater revenues.

Tax Rate	Proposed 2022 Tax Year	Adopted 2021 Tax Year
Property Tax Rate	0.435700	0.495300
No New Revenue Tax Rate	0.407300	0.489800
M&O Tax Rate	0.171300	0.195500
Debt Tax Rate	0.264400	0.299800
Voter Approval Rate	0.435700	0.530300

Village Administrator Ferguson advised the proposed property tax rate and debt service rate are about 6 cents and 2 cents lower, respectively, than the previous year's rates. He noted the Board's ability to consider rates above or below what is proposed and reminded that there is not a final vote on the budget and tax rate approval until mid-September, after public hearings have been held.

Mayor Coggin reiterated these are not final numbers and more details will be provided during workshop discussion during Agenda Item 8B.

Alderman Cole moved to approve the proposed 2022 Tax Rates, as presented. Mayor Pro-tem Bell seconded. Discussion addressed examples of Village of Salado taxes for properties valued at \$250,000, which are calculated to be lower than last year, despite increased valuations, and the commitment of the Board to lower the debt service tax rate.

Motion carried on a record vote as follows: Alderman Howard, aye; Alderman Graham, aye; Alderman Cole, aye; Mayor Pro-tem Bell, aye; and Alderman Cox, aye. Motion carried on a 5-0 vote. Village Administrator Ferguson advised public hearing notices will be published in next week's local newspaper.

## **5. Village Administrator's Report**

- Sales Tax Collections

Village Administrator Ferguson reported August's sales tax check, representing June sales, totaled \$83,700, up 33 percent from the same period last year, with fiscal year-to-date collections totaling \$711,005, up 17 percent from the same period last year, with collections running ahead of budget. He noted that the August check is the largest single sales tax check in the history of the Village.

- QT Travel Center Project

Village Administrator Ferguson reported the design team is wrapping up work on the site/building plans, which will be reviewed while property annexation is underway, in order to expedite the project timeframe. He anticipated it will take approximately 8 months to complete construction, once started.

- Royal Street Improvement Project

Village Administrator Ferguson reported KTMPO awarded \$1,000,000 for the project (from Smith Branch to Main Street), which will include pulverizing the existing surface, stabilizing the remaining road base with cement, and applying a 2-inch HMAC roadway surface. He advised that upon completion, Royal Street will have consistent lane width, curbs, and a new durable roadway surface. He anticipated project letting early next year and noted the Village's project funding match of about \$200,000, is allocated to come from Fund Balance. He said there will be extensive communication with Royal Street property owners to minimize impact from construction activity.

- Sanctuary Development Update

Village Administrator Ferguson reported public hearing dates for rezoning have been set for September 13<sup>th</sup> and September 15<sup>th</sup>, for the Planning & Zoning Commission and the Board of Aldermen, respectively. He noted public hearing notices will be published next week and letters will be sent to adjacent property owners. He said the apartment developer has reached a tentative agreement to secure an easement needed to deliver wastewater service to the apartments, other Sanctuary properties, and another planned development off Baines Street.

Discussion addressed an estimated 60-day duration for the Royal Street Improvement Project and right-of-way issues impacting design; confirmation that the project funding does not include sidewalks at this time; and future planning for sidewalks and streetlights, when funds become available.

## 6. Presentation

Presentation of the *Northbound and Down Music Festival* and *Salado Cowboy Poetry and Music Gathering* HOT Fund grant performance reports. (*Tourism Director Andrea Howard*)

Tourism Director Howard introduced K.D. Hill, who presented statistics on expenses and income from *Northbound and Down*, partnerships, participants from other locations, and hotel stays. Mrs. Hill noted that most attendees were day trippers, with the majority of tickets “day-of-event” sales, rather than online.

Sharon Douglas presented statistics on expenses and income from the *Salado Cowboy Poetry and Music Gathering*, including data on how people learned about the event (mostly word of mouth); partnerships; advertising; overnight visitation; and purpose of the event to help keep Texas history alive.

Discussion addressed possible ways to improve attendance and student participation next year; future use of HOT funds for items such as banners to encourage local residents to attend; and improvements to the process of HOT fund grant administration.

## 7. Public Hearing and Possible Action

Hold a public hearing and consider approval of an ordinance of the Village of Salado, Texas rezoning approximately 2.059 acres, located at 1209 N. Stagecoach Road in Salado, Bell County, Texas, from HD (Historic District) to LR (Local Retail) and providing for the following: severability; effective date and proper notice and meeting. (*Village Administrator; this item was continued from the August 4, 2022 Board of Aldermen meeting*)

Village Administrator Ferguson presented the applicant’s request for rezoning to allow for additional uses for future retail development on the subject property, which is consistent with the Village’s Comprehensive Plan that calls for properties on the IH-35 frontage road to be zoned for retail use. He noted the subject property has no historic significance. He said the Planning & Zoning Commission continued consideration on July 13<sup>th</sup> due to concerns regarding a presentation made by the applicant’s representative depicting a proposed architectural design the Commission felt was not consistent with the surrounding area. He noted that building designs do not play a role in nor do they constitute a viable reason for approval or denial of a zoning change request. He advised that on July 26<sup>th</sup>, the Commission was presented a revised architectural design by the applicant’s representative and after considerable discussion voted 4-1 to recommend denial of the zoning change request. The Commission expressed concerns that the zoning change could have an adverse impact on the character of the Main Street historic area, as the property is located at the north entrance to Main Street. He explained the applicant filed a timely appeal in accordance with the Village’s Zoning Ordinance, so that the Board may reconsider the Commission’s denial of the rezoning request. Village Administrator Ferguson reminded that in order to overturn the Planning & Zoning Commission’s denial, four affirmative votes of the Board of Aldermen are required.

Mayor Coggin spoke of an email sent from the applicant directly to the Board, which Village Administrator Ferguson confirmed is highly inappropriate, as it sought responses outside of a

public forum. He noted that Board members were cautioned to not respond to the applicant's email, as discussions need to take place in public. Mayor Coggin asked for more detailed information on relevant decision-making criteria. Village Administrator Ferguson said the Board may look to the Village's Comprehensive Plan as a guide, rather than a regulatory document, and consider whether the requested zoning is the highest and best use of the property. He noted the decision should be based on use, not the way the proposed building looks, as there have been no building plans or building permit application filed with the Village.

Discussion addressed State law severely restricting cities' ability to regulate building design and the Board's ability to include in the ordinance a provision that the building must be consistent with surrounding structures, if approved.

Applicant's representative Linda Reynolds said her sister (applicant Darlene Walsh) did not realize the implications of sending an email prior to tonight's hearing. She pointed to the Board's recent HD to LR rezoning of another IH-35 frontage road property across from the Anderson historic house that would allow for a drive-through. She alleged that the Village has ignored north side development, said that the applicant's two-acre subject property should be developed, and will bring in a lot of tax dollars. She cited problems with the existing building and the desire of the applicant to put in a drive-through. Ms. Reynolds stated the applicant is proceeding with selling many of her properties to have the money to develop the subject property. She said the subject property is not a "gateway" to Salado and cited businesses along Salado Plaza Drive such as a gas station and the back side of Salado Plaza. She reminded that rezoning was recently approved for the former Mel's Bakery property between the IH-35 frontage road and Church Street.

Mayor Coggin opened the public hearing at 7:32 p.m.

Cathy Sands of 3901 Chisholm Trail said the subject property is a gateway and spoke of the historic significance of the adjacent Fowler House, which has been on the home tour many times.

Bev Turnbo of 349 College Hill agreed with Mrs. Sands' comments on the subject property, which she felt could potentially devalue the historic property next door and more importantly change the area's character.

John Newman of 2221 Chisholm Trail said the owner of the Fowler House was the only person to return the "inquiry sheet" (speaker was referencing the letters regarding the rezoning request that were sent to property owners within 200 feet of the subject property to allow for their input). He said the owner of the Fowler House approved of the zoning change request.

Jim Lassiter of 230 N. Main, said he is speaking on a personal basis, not as a Planning & Zoning Commission member. He said his objective is to maintain the historical quality of the Village. He stated he was not against development and had no animosity toward this particular property or any other. He favored the development of an overlay created to provide protections for the historic district that would serve as a transition between the historic district and local retail. He felt that creation of a historic overlay district could be achieved in 2 to 3 months and allow for public input. He encouraged the Board to pause and think about bringing an historic overlay to fruition that will bridge the gap between this rezoning request and the historical quality of this community.

Maurice Carson of 418 Creekside Drive said it seems that regulations are about control over what is built in the Historic District, whereas with the Local Retail District “you can get just about anything.” He felt it would be a terrible disservice to the ambiance of the Village if the rezoning is approved. He appreciated the owner’s right to develop the property but objected to the rezoning due to its location and historic properties adjacent to the subject property. He recommended the zoning remain HD and favored working with the owners on the construction “to have something beautiful” that will increase revenue for them and for the Village.

Hearing no further comments, Mayor Coggin closed the public hearing at 7:41 p.m.

Discussion addressed:

- Citation of factors to be considered by the Board when making land use decisions
- Existing allowed HD uses (many types of retail)
- Allowed LR uses (includes drive-through operations)
- Consistency with surrounding buildings required in HD, but not required in LR
- Surrounding properties and easements
- Historical marker on Fowler House
- Goal of task force to create a historic overlay district to provide enhanced protection for properties within historic areas that will subsequently be zoned according to their uses
- Ability to require compatible building design in the newly created overlay district

Alderman Graham moved to delay the appeal decision until final recommendations are provided by the Historic District Overlay Task Force to the Planning & Zoning Commission and to the Board of Aldermen for consideration. Alderman Graham continued speaking on the purpose of the task force to come to a shared understanding of what a historic district is relative to an overlay and what State and/or local zoning laws will allow. Alderman Graham questioned why the Board is looking at this zoning appeal at this time and stated his justification for the motion to delay action based on possible changes that could happen within a couple of months.

Discussion addressed clarification of the motion; legal concerns relating to repeated continuations of this item affecting public notice requirements; preferable course of action to deny the appeal and advise the applicant to re-apply for the zoning change once the overlay district is created and re-notice the public hearings in accordance with statutory requirements; and the ability of the Board to waive the applicant’s rezoning fee for the future re-filing.

After some discussion of possible motions, Alderman Graham amended his original motion to deny the rezoning request, have the applicant re-file the request, once the overlay district has been approved, and to waive the rezoning fee to the applicant for the re-filing.

Alderman Howard stated he would like to place a 60-day timetable on Alderman Graham’s motion, to which Village Administrator Ferguson replied that 60 days is the timeframe for completion of the task force’s recommendation and actions by the Planning & Zoning Commission and the Board of Aldermen.

Mayor Coggin entertained a second for Alderman Graham’s amended motion. Motion died for lack of a second.

Alderman Cole moved to “preserve the integrity of Salado” and keep the zoning as Historic District. In the interest of clarification, Mayor Coggin synopsisized that Alderman Cole’s motion is to deny the appeal. Alderman Cole confirmed Mayor Coggin’s restatement of his motion. Mayor Coggin entertained a second for Alderman Cole’s motion. Motion died for lack of a second.

Alderman Cox moved to deny the appeal and keep the HD zoning, while waiving the drive-through prohibition, but Village Administrator Ferguson explained it is not possible to deny the zoning request and approve a drive-through use, as drive-through operations are not allowed for HD-zoned properties.

Mayor Pro-tem Bell suggested revisiting Alderman Graham’s previously failed motion. Village Administrator Ferguson reminded that approval of the zoning change will require four affirmative votes to overturn a denial recommendation from the Planning & Zoning Commission.

Mayor Coggin entertained a second to Alderman Cox’s motion. Motion died for lack of a second.

After brief discussion and clarification on procedural issues, Alderman Graham restated his earlier motion to deny the rezoning request, advise the applicant to re-file following the development of a historic overlay district (to be completed within 60 days), and should the applicant choose to re-file, the Village of Salado will not require payment of a rezoning fee. Alderman Cox seconded.

Alderman Cole said the Board is not listening to the Planning & Zoning Commission, nor the people who came here to speak. Mayor Pro-tem Bell said he does not have a problem with the drive-through, but his main issue is that he does not know what kind of development will be built.

Mayor Coggin called for a vote on Alderman Graham’s restated motion, as follows: Alderman Cox, aye; Mayor Pro-tem Bell, aye; Alderman Cole, nay; Alderman Graham, aye; and Alderman Howard, aye. Motion carried on a vote of 4-1.

## **8. Discussion and Possible Action**

- A. Discuss and consider possible action regarding the proposed interlocal agreement with the Salado ISD relating to school resource officers. (*Village Administrator*)

Village Administrator Ferguson reviewed key provisions of the agreement, which are the same as previous years, except for the addition of two school resource officers (SROs) and certain associated equipment/vehicle costs.

Discussion addressed automatic renewal of the agreement and budgeted salaries.

Alderman Cole moved to approve the interlocal agreement, as presented. Mayor Pro-tem Bell seconded. Motion carried on a vote of 5-0.

- B. Discuss and consider possible action relating to the development of the FY 2023 Village of Salado Operating Budget. (*Mayor Michael Coggin; this is a workshop item and no action will be taken*)

Mayor Coggin said that Village of Salado's budget is proposed to increase 27 percent, but Village tax bills should be lower due to reduced tax rates, even when taking into account higher appraised values. Village Administrator Ferguson advised that much of the increase comes from approximately \$200,000 to come from Fund Balance for road improvements.

Village Administrator Ferguson presented an overview of the proposed budget:

- Total General Operating Fund Budget of \$2,148,563
- General Fund expenditures for road/streets/park improvements, two additional SROs, and associated vehicles/equipment
- Hotel-Motel Fund Budget totaling \$288,943, up 1.8 percent from the current fiscal year
- Wastewater Operating Fund Budget totaling \$288,035, up 12 percent from the current fiscal year, with a decrease in the interest and sinking fund and debt service payment due to refinancing

He presented details on the following:

- General Fund allocation for a 3 percent pay adjustment for all employees, except for a 10 percent market adjustment for the Public Works Foreman; addition of two SROs
- General Fund allocation of approximately \$200,000 for reconstruction of Salado School Road and Center Circle
- General Fund allocations for general street repairs, Pace Park Pavilion improvements, and parking lot lighting at Sirena Park
- Increased tree maintenance budget
- \$8,000 contribution for the Village's share of costs for development of the Habitat Conservation Plan
- Approximately 40 percent of administration expenditures are for public safety
- Proposed 15 percent increase in sales tax revenue
- Proposed 7.8 percent increase in property tax revenue
- Proposed 40 percent increase in mixed beverage sales tax revenue
- Proposed 67 percent increase in certificate of occupancy fees; 31 percent increase in building permit fees; increased municipal court revenue
- Percentage breakdown of revenues from taxes and various franchise/license/permit fees
- Increased Hotel-Motel Fund Budget, including increased marketing expenses and a 3 percent pay adjustment for the Tourism Director and Visitor's Center Coordinator
- 43 percent reduction in the Community HOT Fund Grant Program, which is being reviewed to be more productive and less cumbersome for applicants
- 12 percent increase in the Wastewater Operating Fund Budget, largely due to operations/maintenance/utility costs, with no increase proposed in wastewater rates for the coming year and no subsidies from the General Fund; decreased debt service payment

Mayor Coggin's requested a comparison of cost of living adjustment (COLA) percentages for employees.



Village Administrator Ferguson presented the proposed tax rates as a starting point for budget discussions. He noted that the current proposed debt tax rate is a “ceiling” rate and said a plan to significantly reduce that rate will be presented to the Board prior to the public hearing and final approval. The current proposed tax rate of 0.435700 per \$100 valuation is about 12 percent below the current rate of 0.495300. He also compared the proposed 2022 Tax Year No New Revenue and Voter Approval tax rates, which are lower than the adopted 2021 Tax Year tax rates. He stressed that tax rates presented are for the Village of Salado and not applicable to other taxing jurisdictions such as Salado ISD and Bell County. He provided the following example: For a home with last year’s appraised value of \$250,000 that increased to \$280,000, the tax bill for the Village of Salado would be \$18.29 less under the proposed tax rate, which may be approved at a lower rate.

Mayor Pro-tem Bell requested information on what percentage of tax revenue is affected by certain exemptions and said a greater decrease in tax bills should be seen by those taxpayers whose values are frozen.

Village Administrator Ferguson noted that engineering work has begun on approved drainage projects to be funded with \$587,000 received by the Village under the America Rescue Plan Act (ARPA). In response to Mayor Coggin, Village Administrator Ferguson replied that KTMPO-awarded funding will be presented to the Board as a separate budget amendment. There was brief discussion of possible future income sources from a pending federal funding application and impact fees.

### Adjournment


Alderman Graham moved to adjourn. Mayor Coggin called the meeting adjourned at 8:30 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 1<sup>st</sup> of September, 2022.

**APPROVED:**




---

Michael Coggin, Mayor

**ATTEST:**



Cara McPartland, City Secretary

