I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Thomaides at 5:02 p.m. Tuesday, September 19, 2017 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666

II. Roll Call

Present: 7 - Mayor John Thomaides, Mayor Pro-Tem Jane Hughson, Deputy Mayor Pro Tem Lisa Prewitt, Council Member Ed Mihalkanin, Council Member Saul Gonzales, Council Member Scott Gregson and Council Member Melissa Derrick

III. Invocation

No Invocation was provided this evening.

IV. Pledges Of Allegiance - United States And Texas

Aislyn Rouche, a 6th grade student at Texas Preparatory School - San Marcos led this evening’s invocation.

EXECUTIVE SESSION

1. 5:00PM Executive Session in accordance with Section § 551.087 - Economic Development: to receive a briefing and deliberate regarding the potential offer of Economic Development Incentives to Project Warehouse; and in accordance with Section §551.072: Real Property - to receive an update and deliberate regarding the purchase of undeveloped property over the Edwards Aquifer Recharge Zone to mitigate nonpoint source pollution to the Edwards Aquifer and the San Marcos Springs and River.

A motion was made by Council Member Gregson, seconded by Deputy Mayor Pro Tem Prewitt, to enter into Executive Session at 5:15p.m.

Mayor Pro Tem Hughson recused herself during the discussion pertaining to the purchase of undeveloped property over the Edwards Aquifer Recharge Zone which would mitigate nonpoint source pollution to the Edwards Aquifer and the San Marcos Springs and River. However she did participate in the briefing and deliberation regarding the potential offer of Economic
Development Incentives to Project Warehouse.

The motion carried by the following vote:

For: 6 - Mayor Thomaides, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

Recused: 1 - Mayor Pro-Tem Hughson

2. Consider adoption or direction to Staff on matters discussed in Executive Session.

Council reconvened into Regular Session at 6:55 p.m. Direction was provided to Staff during Executive Session.

PRESENTATIONS

3. Received a presentation from Deliotte and Touche, LLP on the CDBG-DR Risk Assessment and Internal Audit and Monitoring Plan.

Christian Motts with Deliotte and Touche, LLP provided the Council with an update regarding the CDBG-DR Risk Assessment and Internal Audit and Monitoring Plan. They plan to conduct internal audits to assess specific grant process areas based on the results of this initial risk assessment. As the program is implemented over the lifecycle of the grant other risk areas will likely be identified either through on-going internal or external assessments and based upon periodic updates to the risk assessment. They will work with the City to determine and schedule future internal audits based on the results of the updated risk assessment. Further, their technical assistance support and advice with the monitoring plan will continue through the grant lifecycle.

4. Receive a Staff presentation of the Quarterly Investment and Financial Reports, and provide direction to Staff.

Heather Hurlbert, Director of Finance, provided the City Council with the Quarterly Investment and Financial Reports.

5. Receive a Staff presentation and hold discussion regarding the After Action Report concerning Hurricane Harvey and its impact on the City of San Marcos, and provide direction to Staff.

Bert Lumbreras, City Manager, provided the Council with an update regarding the after action report concerning Hurricane Harvey and its impact on the City of San Marcos. Mr. Lumbreras indicated that Staff is looking into creating a database that could identify residents that are dependent on electricity for medical needs to allow Staff to be proactive in restoring service in those areas.
V. 30 Minute Citizen Comment Period

Diane Wassenich, San Marcos River Foundation, spoke in favor of Item #22. She read a letter from Andy Sansom, Executive Director of the Meadows Center. She read Mr. Sansom’s support of Mr. Ben Schwartz, the head of the Edwards Aquifer Research and Data Center. She stated that the City is in the top of the pool for applicants. Applying for this loan would be needed in order to obtain grants.

Ben Schwartz, encouraged the Council to support Item #22 and to pursue the low interest loan. He stated it is a critical time for the city to move forward with this because it is a one-time opportunity. He provided explanations of why this is important due to flooding and development/planning. He stated that flooding in Houston has been predicted repeatedly for years and is caused by mismanagement and lack of planning of their upper watershed areas. He stated that we have a watershed that is mainly untouched and it is now or never to do real watershed management. He asked that the Council to talk to our neighboring cities of Austin and San Antonio to discuss the cost of watershed planning and what steps they have taken to mitigate and plan for future flood issues.

Lisa Marie Coppoletta, stated she isn’t having any reaction to the mold tonight. She dared the Council to place their hand on a bible and say that they did not pick up the mail in ballots at the last election. She addressed the City Manager about duel coverage on the TV broadcast that was promised by two previous City Managers. She stated that the Mayor campaigned on transparency. She asked staff to conduct a study on mold and she stated she offered to pay for this. She read a quote from John Quincy Adams "Always vote for principle, though you may vote alone, and you may cherish the sweetest reflection that your vote is never lost."

Brian Olson, addressed the City Council and stated that Cape’s Dam was not on the 2018 CIP and he wanted to make sure that it was allocated for. He spoke against Item #22 he said adding a 4.4 million budget item is concerning, and we are not here to bail out or fund a piece of property. This should go through a bond process and let citizens decide. He does not feel that we should go down that path. He believes in conservation, but he does not feel that this is the best method. Please do not support this item.

Jason Mock, addressed the City Council on Item #22. He stated that the
Chamber supported the City’s Bond election and that the Bond Committee put forth important things for our community. He encouraged the City Council to think about not only the acquisition of the land but the maintenance as well. Council must be strategic in longterm planning of greenspace. If this passes, it will be an unfunded mandate and will set a precedence for others to ask for a bail out in the future.

Cori Schwartz, addressed the City Council on Item #22 and stated that she is happy to see that the City is looking into this option. She provided that this model is used all across the country where organizations assist municipalities by holding land to keep the prices down in order to obtain funds so the municipality does not accrue excessive debt. She asked those in the room that are in support of Item #22 to please stand.

Sherwood Bishop, addressed the Council on the recent growth of San Marcos. In the past 7 years the City of San Marcos has grown by 28,000 which was the total population in 1990. Our City is growing very rapidly. He referenced the topographical maps that he provided to the Council earlier this year showing where people are living and working in San Marcos. He said that we are running out of lands that can absorb runoff and this is making our flooding worse overtime. He said that both pieces of land that are up for consideration would actually fall under the maintenance umbrella of the Green Belt Alliance. They help maintain the open space in the City and this will take financial pressure off the City. He stated that this is a very short-term opportunity, please vote yes.

Joshua Simpson, addressed the Council regarding Item #22. He stated that the adding more debt is not a sustainable practice in an already indebted system. If flooding is the issue, then innovation is the answer. He mentioned this in the past, but rainwater collection systems need to be incentivized. He said that if there were ways to incentive these companies we can generate wealth and it will improve property values.

CONSENT AGENDA

A motion was made by Council Member Gregson, seconded by Council Member Derrick, to approve the consent agenda items. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0
6. Consider approval, by motion, of the following meeting Minutes:
   A) August 7, 2017 - Code SMTX Workshop Meeting Minutes
   B) August 22, 2017 - Special Meeting Minutes
   C) September 1, 2017 - Packet Meeting Workshop Minutes
   D) September 5, 2017 - Regular Meeting Minutes

7. Consider approval of Ordinance 2017-46, on the second of two readings, creating a designated permit area under Section 82.189 of the San Marcos City Code to require parking by permit only on the west side of the 400 Block of McGehee Street between Cheatham Street and Grove Street from 3:00 pm to 9:00 pm daily; amending the traffic register to reflect the designated permit area; and providing for an effective date.

8. Consider approval of Ordinance 2017-47, on the second of two readings, amending the Official Zoning Map of the City by rezoning a 3.553 acre tract of land located within the Cottonwood Creek Subdivision Master Plan near the intersection of State Highway 123 and Rattler Road, from “DR” Duplex Restricted District to “GC” General Commercial; and including procedural provisions.

9. Consider approval of Ordinance 2017-53, on the second of two readings, amending section 2.566 of the San Marcos City Code to authorize City Manager, Bert Lumbreras, to approve change orders to City contracts involving increases or decreases of $50,000 or less; including procedural provisions; and declaring an effective date.

10. Consider approval of Ordinance 2017-50, on the second of two readings, increasing drainage utility rates as authorized by Section 86.505 of the San Marcos City Code; including procedural provisions.

11. Consider approval of Ordinance 2017-51, on the second of two readings, increasing rates established for Water, Wholesale Water, Reclaimed Water, Wastewater Treatment, and Sewer Surcharges; and including procedural provisions.

12. Consider approval of Ordinance 2017-52, on the second of two readings, amending the rates for both Residential and Multifamily Customers of Municipal Solid Waste Programs in accordance with Section 66.028 of the San Marcos Code of Ordinances; including procedural provisions; and declaring an effective date.

13. Consider approval of Resolution 2017-142R, ratifying the submission of an application to the U.S. Department of Justice, Bureau of Justice Assistance for a Justice Assistance Grant in an amount not-to-exceed $15,763.00 to fund hardware and software upgrades to the Police Department’s Cyber Forensics Investigative program, authorizing the City Manager or his designee to execute any and all documents as necessary to accept and implement the Grant, if awarded; and declaring an effective date.

14. Consider approval of Resolution 2017-143R, approving a State Use Contract between the City and Easter Seals-Central Texas as certified by TIBH Industries, Inc. for vegetation and litter control in the estimated annual amount of $1,110,238.67; authorizing
the City Manager or his designee to execute this agreement on behalf of the City and declaring an effective date.

15. Consider approval of Resolution 2017-146R, approving an agreement with Alan Plummer Associates, Inc. for the provision of Professional Engineering Services for the River Road Pavement and Bank Stabilization Project in the amount of $73,910 which includes an increase of $24,940 (ACIS No. 2) above the previous not-to-exceed contract amount of $48,970; ratifying the City Manager’s execution of this agreement and authorizing the City Manager or his designee to sign authorization of change in services No. 2; and declaring an effective date.

16. Consider approval of a pay increase in the amount of $6,840.32 to City Attorney, Michael Cosentino effective April 1, 2017.

17. Consider approval of a pay increase in the amount of $3,600.56 to City Clerk, Jamie Lee Case effective April 1, 2017.

NON-CONSENT AGENDA

18. Consider approval of Ordinance 2017-48, on the second of two readings, adopting a Budget in the amount of $214,053,615 for the Fiscal Year beginning October 1, 2017 and ending September 30, 2018; authorizing certain adjustments to the Budget with the approval of the City Manager; approving fiscal year 2017-2018 Capital Improvements Program Projects.

Heather Hurlbert, Finance Director, provided the City Council with a brief presentation regarding the budget. Dan Wegmiller with Specialized Public Finance Inc, provided the City Council with a presentation related to debt issuance timing and structuring as well as tax rate management tools including calling or defeasing existing debt. The Council provided consensus to move forward with Option 1 provided by Mr. Wegmiller, which is to pay off a portion of the existing 2015 debt utilizing tax revenue of $1.8M. The Bond revenue will be utilized for the purposes approved by the voters during the May 2017 Bond Election. This includes Public Safety Facilities, Police and Fire and Library Facilities.

Mayor Thomaides made an announcement that a Public Hearing was held on the City’s proposed Fiscal Year 2018 Budget on September 5th. In addition, City Council approved the budget on first reading on September 5th. Today the City Council will approve the budget on second reading and actually adopt the City’s Fiscal Year 2018 budget. The City’s Fiscal Year begins on October 1, 2017 and ends on September 30, 2018. The proposed budget has been on file in the City Clerk’s Office and on the City’s website since July 31st.

A motion was made by Council Member Gregson, seconded by Council
Member Derrick, to approve Ordinance 2017-48, adopting the City's 2017-2018 Budget, on the second of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

19. Consider approval of Ordinance 2017-49, on the second of two readings, setting the Property Tax Rate for the 2017 Tax Year at 61.39 cents on each $100 of taxable value of property that is not exempt from taxation; levying taxes for the use and support of the Municipal Government of the City for the Fiscal Year beginning October 1, 2017 and ending September 30, 2018; the 8.37 cent increase was approved by voters during the May 2017 Bond Election for debt retirement of and operational expenses for public safety and library projects; providing a Sinking Fund for the retirement of the bonded debt of the City.

Mayor Thomaides made the announcement that State Law requires that the City hold two Public Hearings on the City’s Proposed Tax Rate. Those public hearings were held on September 5th and 15th. The proposed tax rate was published in the local newspaper on August 20, 2017 and has been viewable on the home page of the City's website as required. City council approved the Tax Rate Ordinance on first reading on September 5th. Today's agenda item is to approve the Tax Rate Ordinance on second reading and actually adopt the City's 2017 Tax Rate.

Mayor Thomaide moved that the property tax rate be increased by the adoption of a tax rate of 61.39 cents per hundred, which is effectively a 16.87 percent increase in the tax rate. Council Member Gregson seconded this motion. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

20. Consider approval of Ordinance 2017-54, on first and final reading, authorizing the issuance and sale of $34,270,000 City of San Marcos, Texas, Combination Tax And Revenue Certificates of Obligation, Series 2017; (1) Constructing, Improving, Extending and Expanding City Streets, Bridges, Sidewalks, Bike Lanes, Pedestrian Lanes, Bus Stops, Parking, and Related Traffic Improvements Including Acquiring Any Necessary Rights-of-way and Equipment; (2) Constructing, Improving and Extending the City's Water and Waste Water System Including Acquiring Equipment; (3) Constructing, Improving and Extending the City's Electric Utility System Including Acquiring Equipment; (4) Constructing, Improving and Designing Existing Municipal Buildings to Include the Activity
Center, City Hall, Library, Public/community Services Building and Related Equipment Purchases; (5) Constructing, Designing, Equipping and Renovating City Parking Facilities; (6) Constructing and Improving the City’s Drainage and Flood Control Facilities; (7) Constructing and Improving the City’s Airport; (8) Constructing, Designing, Equipping and Renovating Public Safety Facilities to Include Police and Fire Station Improvements and Equipment Purchases; (9) Replacing, Improving, and Developing the Disaster Recovery Infrastructure and Network Infrastructure Equipment; (10) the Payment of Professional Services in Connection Therewith Including Legal, Fiscal and Engineering Fees and the Costs of Issuing the Certificates of Obligation and Other Matters Related Thereto; approving an official statement; purchase agreement and paying agent/registrar agreement; establishing the procedures for selling and delivering of the certificates; providing for adoption of this Ordinance on one reading only in accordance with State Law; and authorizing other matters relating to the certificates.

A motion was made by Council Member Gregson, seconded by Deputy Mayor Pro Tem Prewitt, to approve Ordinance 2017-54, on first and final reading. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

21. Consider approval of Ordinance 2017-55, on the first of two readings, amending the City’s 2016-2017 Fiscal Year Budget to include expenditures in the total sum of $25,000.00 from State Seized Asset Funds to provide matching funds for a grant received from the Office of the Governor, Criminal Justice Division to fund the conversion of the Police Department’s records management system from UCR summary data crime reporting to the National Incident-Based Reporting System (NIBRS); and providing an effective date.

A motion was made by Mayor Pro-Tem Hughson, seconded by Council Member Gregson, to approve Ordinance 2017-55, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

22. Consider approval of Resolution 2017-144R, approving the filing of an application for a loan in the amount not to exceed $4,400,000 with the Texas Water Development Board to be used for the acquisition of undeveloped land over the Edwards Aquifer Recharge Zone to mitigate nonpoint source pollution in the Edwards Aquifer and the San Marcos Springs and River; designating an authorized representative to act on behalf of the City for the purpose of furnishing information and executing documents that may be required in connection with the preparation and filing of the application; designating firms and individuals authorized and directed to aid and assist the City in the preparation and
submission of the application for financial assistance and to appear on behalf of and represent the City in any hearing held by the Texas Water Development Board on the application; and declaring an effective date.

Main Motion: a motion was made by Mayor Thomaides, seconded by Council Member Derrick, to approve Resolution 2017-144R.

Motion to Amend: a motion was made by Council Member Gregson, seconded by Council Member Mihalkanin, to amend Resolution 2017-144R, that would require an update from Staff at a regular City Council meeting in December or January regarding the status on obtaining grant funding and to bring back for final consideration. The motion carried by the following vote:

For:  5  -  Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick
Against:  1  -  Mayor Thomaides
Recused:  1  -  Mayor Pro-Tem Hughson

Main Motion: to approve Resolution 2017-144R, as amended. The motion carried by the following vote:

For:  5  -  Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick
Against:  1  -  Mayor Thomaides
Recused:  1  -  Mayor Pro-Tem Hughson

23. Consider approval of Resolution 2017-145R, making appointments to the Board of Directors of the Alliance Regional Water Authority; and declaring an effective date.

A motion was made by Council Member Gregson, seconded by Council Member Mihalkanin, to postpone Resolution 2017-145R until April 2018. The motion carried by the following vote:

For:  6  -  Mayor Thomaides, Mayor Pro-Tem Hughson, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick
Against:  0
Absent:  1  -  Deputy Mayor Pro Tem Prewitt

24. Consider approval, by motion, of the ratification of the tax rate reflected in the proposed budget of 61.39 cents per $100 valuation, which will raise more revenue from property taxes than in the previous fiscal year.

Mayor Thomaides announced that state law requires that the council consider a separate motion to ratify the property tax rate reflected in the budget because more revenue will be raised from property taxes than in the previous fiscal year.
A motion was made by Council Member Gregson, seconded by Council Member Derrick, to ratify the property tax rate reflected in the budget. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro-Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

25. Consider approval, by motion, of a letter agreement with Village Main San Marcos to provide $442,000 in funding from potential Best Buy sales tax revenue.

Main Motion: a motion was made by Council Member Derrick, seconded by Council Member Mihalkanin to approve a letter agreement with Village Main San Marcos to provide $442,000 in funding from potential Best Buy sales tax revenue.

Motion to Amend: a motion was made by Council Member Gregson, seconded by Mayor Thomaides, to amend this letter agreement by adding that an executed construction contract be in place before a specific start date of construction before payments will be made. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro-Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

Main Motion: to approve this letter agreement as amended. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro-Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

26. Consider approval, by motion, of a letter agreement with CASA of Central Texas, Inc. to provide a reimbursement of a 10 year loan in the principal amount of $350,000 starting in Fiscal Year 2019.

Main Motion: a motion was made by Council Member Mihalkanin, seconded by Deputy Mayor Pro Tem Prewitt to approve a letter agreement with CASA of Central Texas, Inc. to provide a reimbursement of a 10 year loan in the principal amount of $350,000 starting in Fiscal Year 2019.

Motion to Amend: a motion was made by Council Member Gregson, seconded
by Council Member Derrick, to amend this letter agreement by adding that an executed construction contract be in place before a specific start date of construction before payments will be made. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

A motion was made by Council Member Mihalkanin, seconded by Deputy Mayor Pro Tem Prewitt, that this Action Item be approved. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

27. Discuss and consider the appointment of City Manager Bert Lumbreras, to fill a vacancy on the following Boards or Commissions: the Greater San Marcos Partnership Board of Directors, San Marcos Economic Development Board and the Convention and Visitors Bureau Board, and provide direction to Staff.

A motion was made by Council Member Derrick, seconded by Mayor Pro-Tem Hughson, to appoint City Manager, Bert Lumbreras to the Greater San Marcos Partnership Board of Directors, San Marcos Economic Development Board and the Convention and Visitors Bureau Board. The motion carried by the following vote:

For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

28. Discuss and consider an appointment to fill a vacancy on the San Marcos Commission on Children and Youth and the San Marcos Commission Youth Commission, and provide direction to Staff.

David Swain was nominated by Mayor Pro Tem Hughson to serve on the San Marcos Commission on Children and Youth. Aubrey Ashton was nominated by Council Member Derrick to serve on the San Marcos Youth Commission.

Following a roll call vote both members were unanimously approved for appointment to their respective commissions.
For: 7 - Mayor Thomaides, Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

29. Discuss and consider the appointment of a City Council Member to the San Marcos Area Chamber of Commerce Board of Directors, and provide direction to Staff.

A motion was made by Council Member Mihalkanin, seconded by Council Member Derrick, to appoint Mayor Thomaides to the San Marcos Area Chamber of Commerce Board of Directors. The motion carried by the following vote:

For: 6 - Mayor Pro-Tem Hughson, Deputy Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Gregson and Council Member Derrick

Against: 0

Abstain: 1 - Mayor Thomaides

VI. Question and Answer Session with Press and Public.

None.

VII. Adjournment.

Mayor Thomaides adjourned the regular meeting of the San Marcos City Council at 10:16 p.m.

Jamie Lee Case, TRMC, City Clerk                                   John Thomaides, Mayor

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov