

City of Natalia, Texas
City Council Special Meeting
September 5, 2018 at 6:00 pm
Minutes

Call to Order: Mayor Tommy Ortiz called the special city council meeting to order at 6:00 pm.

- | | | |
|----------------------|--|-----------------------------------|
| 1) Roll Call: | Mayor Tommy Ortiz ó Present | Mayor Pro Tem Sam Smith - Present |
| | Alderman Mike Fernandez ó Present | Alderman Darin Frazier - Present |
| | Alderman Sam Bluemel ó arrived at 6:06pm | Alderman Selica Vera ó Present |

Public Hearings: Mayor Ortiz opened the Public Hearing at 6:02pm for the following items:

- 2) **Fiscal Year 2018-2019 Proposed General and Utility Fund Budgets.**
- 3) **Tax Year 2018 Proposed Tax Rate.**
Mayor Ortiz announced the 2nd Public Hearing on the Proposed Budgets and Tax Rate for FY 2018-2019 will be held Tuesday, September 11, 2018 at 6:00pm; and on September 17, 2018 at 7:00pm City Council may consider to vote on the tax rate.
- 4) **Comprehensive Master Plan for the City of Natalia funded by Texas Department of Agriculture, Planning and Capacity Building Fund, TDA Contract No.7216074.**
With no comments from the floor, the public hearing was closed at 6:04pm.

Discussion/Consideration Items:

- 5) **Discussion/Consider Action on Ordinance; Declaring Unopposed Candidates in the November 6, 2018 General City Election elected, and Canceling said Election.**
 - i. Certificates of Election shall be issued to the following three (3) Unopposed Candidates: Sam Smith, Alderman; Mike Fernandez, Alderman; and Selica Vera, Alderwoman
Action: Alderman Frazier motioned to declare the unopposed candidate elected, and canceled said Election; and Alderman Fernandez seconded the motion. Vote: 4-0; Motion passed unanimously, Alderman Bluemel absent.
- 6) **Discuss/Consider Action on Resolution; Approving and Accepting the Comprehensive Master Plan for the City of Natalia funded through a Grant from the Texas Department of Agriculture, Texas Community Development Block Grant (TxCBDG), Planning and Capacity Building Fund.** Discussion: Judy Langford, Grant Administrator, briefed Council on the next processes, providing that upon council approval, the plan has to be posted for 30-days prior to TDA considering approval. Alderman Smith mentioned that after review the plan still notes the AMR technology as a goal for water, and that it also refers to such project through many sections of the plan. Alderman Frazier asked Langford if the Council can approve the plan subject to the changes needed? City Administrator Hernandez questioned if the 30-day posting includes the city's website? Langford advised that the plan will be updated with the corrected information, and confirmed that approval with changes is acceptable, and that the plan, once corrected, does have to be posted on the city's website.
Action: Alderman Smith made a motion approving the resolution accepting the Comprehensive Master Plan with the noted changes; and Alderman Fernandez seconded the motion. Vote: 5-0; Motion passed unanimously.
- 7) **Discuss/Consider Action on Ordinance; Approving to amend Sections of Chapter 36 of the Code of Ordinances for the adoption of Subdivision Regulations.** Discussion: City Administrator Hernandez mentioned that the city formed subcommittees to review certain sections of the comprehensive master plan, to include subdivision, and being that the city had no prior ordinance; very few changes were made to the subdivision ordinance drafted by Langford and as presented for approval.
Action: Alderman Smith made the motion adopting the subdivision ordinance; and Alderwoman Vera seconded the motion. Vote: 5-0; Motion passed unanimously.
- 8) **Discuss/Consider Action on Ordinance; Approving to amend Section of Chapter 44 of the Code of Ordinances for the adoption of Zoning Regulations.** Discussion: City Administrator Hernandez mentioned the subcommittee assigned to this task, spent several hours and meetings to review and compare zoning ordinances currently in place and that of what was drafted by Langford. Alderman Smith reiterated the certain restrictions for home occupations prohibitions, and sexually oriented businesses being subject within certain zoned areas, and if Council can eliminate this kind of business completely. Langford advised that the city cannot prohibit sexually oriented businesses within the city, but through zoning, they can restrict this type of business to a specific zone. City Administrator Hernandez mentioned that before adopting this ordinance, city council has to understand that manufactured homes are prohibited in certain zoned residential areas, and would prefer council make a permanent

decision on the restrictions of manufactured homes instead of taking each case in through the variance process; as the process takes up much of the City Administrator's time to issue out notices, publications, and reviewing the site prior to it coming before city council for consideration, at which city council will most likely approve the variances. City Council discussed the options of allowing double-wides only, or manufactured homes on concrete beam foundation, in addition to discussing valuation appraisals of properties affected. Ruby Vera, Chair of NMDD, advised Council that she sat on the zoning subcommittee, and after review of the demographics and housing presented in the comprehensive master plan, enforcing or restricting manufactured homes must be done. The rate of manufactured homes has increased from 26% to almost 50% from the last zoning ordinance adoption, which also restricted these homes in certain areas, but variance approvals continued to bring them into areas zoned prohibited. City Administrator Hernandez also explained that upon approval of the zoning ordinance, this will revive the creation of a Planning and Zoning Commission, in which Hernandez wished to pass these duties to the members of the Municipal Development District; if accepted, all zoning issues will go before the P&Z Board for approval; City Council will only get involved if someone files an appeal on the decision made by the P&Z. Hernandez asked city council table this item, until a workshop to discuss this ordinance can be scheduled between a few members of the Council, and a few members of the potential P&Z (MDD) Board.

Action: Alderman Fernandez motioned to table this item; and Alderman Smith seconded the motion. Vote: 5-0; Motion passed unanimously.

- 9) **Discuss/Consider warranted amendments to Fiscal Year 2018-2019 Proposed Budgets filed on August 14, 2018.** Discussion: City Administrator Hernandez recapped on items previously discussed with council during the August 20th budget workshop, and submitted suggested amendments to the proposed budget filed. Overview included: 1) a tax rate assumption of \$.8715/\$100 valuation, generating a tax revenue of \$248,000; 2) an election expense of \$10,000 to cover presumed November General Elections; 3) a transfer-in from GF Reserves to cover excessive operating expenses if elections sustained; 4) a finance capital payment (ends 2023) for one police truck, shared cost being \$5,582; 5) a DRP grant match, city's portion being \$25,000 will be split into General & Utility Fund; 6) a 1.2% water/sewer tiered volume rate increase, being year-2 of the 5-year Utility Rate Plan; 7) a finance capital payment (ends 2023) for two utility trucks, shared cost being \$11,163; 8) a finance capital payment (ends 2021) for utility equipment, annual payment of \$13,247; 9) a debt rate of \$.0825/\$100 supports Series-2015 annual bond payment, refinancing into Series-2018; average annual payments are \$30,000; 10) Series-2018A and 2018B bond payments for USDA projects; estimated total being \$52,000; 11) a transfer-out to Short Lived Asset Reserves restricted to Water and Sewer for \$18,901; 12) an estimate of \$70,000 for the water replacement program, having \$25,000 proposed to be recovered from UT Reserves; 13) ACI's 3.8% garbage contract increase, calculating an estimate expense of \$142,000; 14) a 3% COLA for all noncontractual fulltime employees; and 15) an increase of \$127.70 per employee for the increase in medical premiums, from \$572.63 to \$700.33 per employee per month with Humana renewal plan. City Administrator Hernandez suggested revisions to the filed proposed budget includes: 1) removal of the \$10,000 Election costs which essentially eliminates the need to transfer-in from GF Reserves of \$8,576 to cover excessive budget expenses; 2) to correct a miscalculation is city administrators taxes and benefits at 65%, rather than at 55% supported through Utility Fund; and 3) to include the approved increase to city garbage rates; proposed budget will increase garbage revenues from \$150,000 to \$159,700, or \$9,700 annually; and 4) make revisions to budget once a determination on insurance plans is made.

Action: Alderman Smith motioned to accept the changes to the proposed budget filed August 14, 2018, and postponed final adoption of budget until after the second public hearing is held; Alderman Bluemel seconded the motion. Vote: 5-0; Motion passed unanimously.

- 10) **Adjournment.** Alderman Smith motioned to adjourn the meeting at 6:45pm, and Alderman Fernandez seconded the motion. Motion carried unanimously.

Passed and Approved this 17th day of September, 2018.

Approval:

Tommy F. Ortiz, Mayor

Attest:

Lisa S. Hernandez, City Administrator/Secretary