

SPECIAL CITY COUNCIL MEETING MINUTES

The City Council of the City of Kyle, Texas met in Special Session on August 24, 2016 at Kyle City Hall with the following persons present:

Mayor Todd Webster	David Douglas
Mayor Pro Tem Damon Fogley	Nancy Fahy
Council Member Travis Mitchell	Jo Fenety
Council Member Becky Selbera	Kay Rush
Council Member Shane Arabie	Carol Ann McElyea
Council Member David Wilson	Jerry McElyea
Council Member Daphne Tenorio	
Scott Sellers, City Manager	
James Earp, Assistant City Manager	
Meghan Murphy - KAYAC	
Jerry Hendrix, Chief of Staff	
Jennifer Vetrano, City Secretary	
Leon Barba, City Engineer	
Kathy Roecker, SWMP Administrator	
Diana Torres, Economic Dev Director	
Perwez Moheet, Finance Director	
Andy Alejandro, Accounting Manager	
Sandra Duran, HR Director	
Kristiana Spencer, HR Generalist	
Paul Phelan, Library Director	
Kerry Urbanowicz, PARD Director	
Howard Koontz, Community Dev Director	
Jeff Barnett, Chief of Police	
Harper Wilder, Public Works Director	
Mario Perez, Building Official	

I. Call Meeting To Order

Mayor Webster called the meeting to order at 7:00 p.m. Mayor Webster asked the secretary to call roll.

Present were Mayor Webster, Council Member Mitchell, Council Member Arabie, Council Member Wilson, Council Member Fogley, and Council Member Tenorio. Council Member Selbera arrived during citizen comments. A quorum was present.

II. Citizen Comment Period with City Council

The City Council welcomes comments from Citizens early in the agenda of special meetings. Those wishing to speak are encouraged to sign in before the meeting begins. Speakers may be

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provided with an opportunity to speak during this time period on any agenda item or any other matter concerning city business, and they must observe the three-minute time limit.

Mayor Webster opened citizen comments at 7:00 p.m.

David Douglas was called to speak on Agenda Item No. 2. He asked Council to consider establishing a Stormwater fee based on individual impact according to lot size rather than putting all residents in one class. He asked whether the fee will be reduced once the issues are addressed to a level strictly for maintenance. His provided testimony is attached to these minutes.

Council Member Selbera arrived at the meeting at approximately 7:07 p.m.

Nancy Fahy was called to speak. She was concerned with the budget and stated that the city is growing. She continued that the budget keeps growing with no end in sight. She wanted the city to save for tougher times. She stated that she heard that water fees will be going up. Ms. Fahy stated that the roads should have been maintained with the budget, and weren't, which led to them having to be scraped down and completely rebuilt. She wants to see the city save where it can save.

Jo Fenety was called to speak. She encouraged Council to support the Stormwater Utility. She stated that she wasn't sure about the amount that should be charged, or whether fees should be based on impervious cover or flat fee. Ms. Fenety closed with saying that if the budget were based on the number of words in the job description, Economic Development would have half the budget.

Kay Rush was called to speak. She stated that Amberwood takes care of its own drainage, and is the largest portion of the HOA budget. She thanked the Council for the stop signs that were added. Ms. Rush stated that she supports the Stormwater fee, but would like to see an ordinance laying everything out before the fee is charged. She stated that a previous city manager and previous council ran the utility fund dry and did not replace old town water lines. Ms. Rush stated that she wants the budget to focus on Police/safety and infrastructure, not special events and signage. She stated that she expects the Council to be judicious with tax payer money and use it properly.

Carol Ann McElyea, a Kyle resident, spoke about a trip to West Frankfort, Illinois. There was a meet and greet for law enforcement event put on by a restaurant. She was interested in having an event similar to that here in Kyle, and had been speaking with Casa Garcia's Restaurant. The theme of the event was "Respect".

Jerry McElyea spoke about the police event they walked into at a restaurant in West Frankfort, Illinois. He asked Council to put an event together to support our people in blue. He'd like to see this community event go state-wide. He provided a photo and flyer related to his testimony, which is attached to these minutes.

With no one else wishing to speak, and no objections to closing citizen comments, Mayor Webster closed citizen comments at 7:26 p.m.

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III. Consider and Possible Action

1. Consider a Resolution of the City Council of the City of Kyle, Texas Amending Resolution 1022, Adopted by the City Council on May 17, 2016 by Revising the Public Improvement District Policy to Require Notification of PID Assessment through Escrow and Multiple Listing Service; Making Findings of Fact; and Providing for Related Matters. ~ *J. Scott Sellers, City Manager*
Item No. 1 Attachments

Mayor Webster brought forward Item No. 1 for discussion. Mr. Sellers presented the item.

Council Member Mitchell moved to approve a Resolution of the City Council of the City of Kyle, Texas Amending Resolution 1022, Adopted by the City Council on May 17, 2016 by Revising the Public Improvement District Policy to Require Notification of PID Assessment through Escrow and Multiple Listing Service; Making Findings of Fact; and Providing for Related Matters. Council Member Wilson seconded the motion. All votes aye; motion carried 7-0.

2. Conduct a public hearing as required under Sec. 8.05 (a) of the City Charter on the City's Proposed Budget, as amended by City Council on August 17, 2016, for Fiscal Year 2016-17 totaling approximately \$80.4 million for all City Funds including the ad valorem tax rate, water and wastewater service rates, stormwater drainage fees, other fees and charges for various City services, and the addition of sixteen (16) new positions for a total of 222.5 full time equivalent positions. ~ *J. Scott Sellers, City Manager*
Item No. 2 Attachments

Mayor Webster brought forward Item No. 2 for discussion. Mr. Sellers addressed the citizen comments that there is a proposed increase in water/wastewater. He stated there is no change proposed to either water or wastewater fees. He went on to address the comment about the funds which will be used for Hogwash event and the gateway signage, which come from Hotel Occupancy Tax and do not come from the tax rate. He also stated that this budget includes a historically high amount of capital expenditures to address infrastructure.

Mr. Sellers continued that the budget is made up of Interest and Sinking (I&S) and Maintenance and Operations (M&O). Interest and Sinking covers all the city's outstanding debt. He stated that through refinancing the bonds, the City has saved millions of dollars. Mr. Sellers stated that the city is aggressively pursuing ways to reduce that amount.

Mr. Sellers stated that the developers have entered into agreements to provide funding for the wastewater treatment plant expansion, which is a necessary expense due to the large developments underway. He stated the City's I&S rate decreased this year to .3353, while M&O is .2395, so more than half of the budget is on the debt side. The I&S rate is fixed. Council Member Tenorio asked how much we will be adding to that due to the HCPUA contribution. Mr. Sellers stated that the estimate is \$55 million for the City of Kyle. He stated that HCPUA will carry the debt and the City will pay through cash flow. Council Member Tenorio then asked about the difference of \$18 million to the \$63 million amount of actual expenses on the worksheet. Mr. Sellers explained the difference is for a 5th debt issuance planned for after 2025. That amount depends on how much water is actually needed. Citizen

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David Douglas asked what HCPUA is from the audience. Mayor Webster explained the HCPUA is the regional collaborative to secure future water supplies, and Council consideration of the anticipation of this was brought forward at the Budget Workshop meeting. He also stated that Council is working to actively pursue mechanisms to pay, since this is the only current option to secure water for the future. Council Member Wilson stated that investment of new water as far into the future as we can. It's to work out the process of how we share water. He stated that it is to secure the regional needs through 2060. Anthem, Crosswinds, and LaSalle receive Kyle water, and he is proposing those groups to pay an additional fee toward the HCPUA fee. Council Member Tenorio stated that she believes it is important to remember that this will be coming forward to project for the future. Council Member Wilson stated that there was a reduction of \$150,000 below what we were paying two years ago. He stated that the City's position has matured. Mr. Sellers continued his presentation stating that the Stormwater Utility Fee will not be set in this budget's fee schedule because of the process of public hearings and notifications that are required. Kathy Roecker, Stormwater Management Plan Administrator, gave the schedule of notices and hearings.

With no objections, Mayor Webster opened the public hearing at 7:52 p.m. With no one wishing to speak, and no objections to closing the public hearing, Mayor Webster closed the public hearing at 7:53 p.m.

3. Conduct a public hearing to obtain comments on the City Council's proposal to set the ad valorem tax rate not to exceed a maximum rate of \$0.5848 per \$100 of assessed taxable valuation for Fiscal Year 2016-17. ~ *J. Scott Sellers, City Manager*
Item No. 3 Attachments

Mayor Webster announced:

This is the second of two public hearings scheduled on the proposed ad valorem tax rate for Fiscal Year 2016-17. The first public hearing was held at 7:00 p.m., on August 17, 2016 at Kyle City Hall, 100 W. Center Street, Kyle, Texas 78640. The City Council is scheduled to consider a proposal to set the ad valorem tax rate not to exceed a maximum of \$0.5848 per \$100.00 of assessed taxable valuation for Fiscal Year 2016-17. When compared to the effective tax rate of \$0.5444 per \$100.00 of assessed taxable valuation, the proposed ad valorem tax rate of \$0.5848 will increase the total tax revenue of the City from properties on the tax roll in the preceding year by 7.42 percent. The total tax revenue proposed to be raised this year at the proposed maximum tax rate of \$0.5848 for each \$100.00 of taxable valuation, including tax revenue to be raised from new property added to the tax roll this year, is \$13,488,918. The Kyle City Council is scheduled to vote on the ad valorem tax rate at public meetings to be held at 7:00 p.m. on August 31, 2016 (1st Reading of City Ordinance) and at 7:00 p.m. on September 6, 2016 (2nd Reading of City Ordinance) at Kyle City Hall, 100 W. Center Street, Kyle, Texas 78640. All Kyle residents and members of the public are invited to attend and express their views at the public hearings and City Council meetings scheduled on the proposed budget and property tax rates.

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With no objections, Mayor Webster opened the public hearing at 7:55 p.m. With no one wishing to speak, and no objections to closing the public hearing, Mayor Webster closed the public hearing at 7:56 p.m.

4. Discussion and consideration of possible amendments to the City Manager's Proposed Budget, as amended by City Council on August 17, 2016, for Fiscal Year 2016-17 totaling approximately \$80.4 million for all City Funds including the ad valorem tax rate, water and wastewater rates, stormwater drainage fees, other fees and charges for various City services, and the addition of sixteen (16) new positions for a total of 222.5 full time equivalent positions. ~ *J. Scott Sellers, City Manager*
Item No. 4 Attachments

Mayor Webster brought forward Item No. 4 for discussion. Mr. Sellers presented the item. Council Member Tenorio opposed the proposed policy change for Civil Service incentive to not file in the legal line item. Council Member Wilson brought forward an amendment for a Veteran's Memorial. Mayor Pro Tem Fogley asked about the location. Council Member Wilson stated he would propose the two Veteran's groups to discuss a location. Mayor Pro Tem Fogley proposed taking \$10,000.00 from the rescue boat toward the Veteran's Memorial. Council Member Tenorio stated that she would like to see a proposal from the VFW organizations with dollar amounts and then have conversation after the groups have met. Council Member Selbera asked Mayor Pro Tem Fogley to confirm that he would be taking the \$10,000.00 from the Fire Department. Mayor Pro Tem Fogley stated that after further discussion, some of those funds were for training, a trailer, and other items.

Council Member Fogley moved to reduce line item for the rescue boat by \$10,000.00 from \$25,000.00 to \$15,000.00. Council Member Arabie seconded the motion.

Mayor Webster called for a roll call vote. Council Member Selbera voted aye, Mayor Webster voted aye, Council Member Mitchell voted aye, Council Member Wilson voted aye, Mayor Pro Tem Fogley voted aye, Council Member Arabie voted aye, and Council Member Tenorio voted aye. All votes aye; motion carried 7-0.

Council Member Wilson moved to amend the budget to add \$10,000.00 from savings identified by the City Manager for the establishment of a Veteran's Memorial process as the first funds set aside for that. Council Member Fogley seconded the motion.

Mayor Webster called for a roll call vote. Mayor Webster voted aye, Council Member Wilson voted aye, Council Member Tenorio voted nay, Council Member Mitchell voted nay, Council Member Selbera voted aye, Council Member Arabie voted aye, and Mayor Pro Tem Fogley voted aye. Motion carried 5-2.

IV. Executive Session

5. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.

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1. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071.
2. Possible purchase, exchange, lease, or value of real estate pursuant to Section 551.072.
3. Personnel matters pursuant to Section 551.074.
4. Economic Development negotiations pursuant to Section 551.087.
 - a. Project Sea Green
 - b. Project Just Peachy

Item No. 5 Cover Sheet

Council Member Wilson moved to convene into executive session Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics: Economic Development negotiations pursuant to Section 551.087 - Project Sea Green and Project Just Peachy. Council Member Tenorio seconded the motion. All votes aye; motion carried 7-0.

The City Council convened into Executive Session at 8:16 p.m.

6. Take action on items discussed in Executive Session.

Item No. 6 Cover Sheet

Council Member Tenorio moved to reconvene into open session. Council Member Arabie seconded the motion. All votes aye; motion carried 7-0.

The City Council reconvened into Open Session at 8:45 p.m. Council Member Wilson announced that no action took place in Executive Session and none would be taken now.

V. ADJOURN

Council Member Tenorio moved to adjourn. Council Member Arabie seconded the motion. All votes aye; motion carried 7-0.

With no further business to discuss, the City Council adjourned at 8:46 p.m.

R. Todd Webster, Mayor

Attest: Jennifer A. Vetrano, City Secretary

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Attachments to Minutes as follows:

1. David Douglas Letter to Council
2. Photo provided by the McElyea's
3. Flyer provided by the McElyea's

David Douglas
100 Beargrass Drive
Kyle TX 78640
August 24, 2016

City of Kyle
Attn: Mayor Webster and City Council Members
100 W Center St
Kyle TX 78640

Dear Mayor Webster and Kyle City Council Members,

We are meeting on the issue of a Stormwater Utility Fee today because the Kyle City Councils and Staff before you have failed to take appropriate, decisive and responsible steps to address the issues we have faced as a community for a long time. Due to the swift, and some would say irresponsible development of the land within our City Limits and ETJ, we are faced with unprecedented Stormwater and Drainage issues like never before. Many culverts, drainage channels and trenches haven't been responsibly maintained by the City or private property owners.

As such, those of us calling Kyle home today must pay for the inaction of those who have lived here for years or moved away after reading what's on the horizon for us who stand firm through the outrageous city, county and school taxes. And then there are the "fees" which are essentially taxes by another name. These all contribute to the cost of living in Kyle that is chasing people out once they get here and realize they can't afford to stay. We have seen buyers in Hometown Kyle sell after only 6 months citing the cost to live.

So, while we can't do anything about the past, we can responsibly forge into the future by asking you, as our current Civic Leaders, to approach these issues in a fair and equitable way that will put the lightest burden possible on the property owners who carry the heaviest load in funding the City's operations. That being the case, Since it is inevitable, I believe it is time for us as a City to assess a Stormwater Utility Fee based on the impact each property owner has and not to throw everyone into the same class whereby disproportionately placing the cost on those who have the least impact. To charge the same flat fee to a property owner with a single family residence on a small lot or a condo owner who has a \$50,000.00 property the same as a person who owns a several acre property worth \$500,000.00 is ludicrous. Charging more to those who have less is not what we as a City should be doing. How can that even be considered?

I ask you to weigh the following recommendations as we move forward.

1. Make setting a Maximum Impervious Surface Coverage (MISC) for Residential and Commercial Lots a Priority And Include ALL Surface Coverage, Not Just Structures With a Roof.
2. Set Different Coverage Thresholds for Residential and Commercial Properties Understanding That Commercial Lots Will Have A More Difficult Time Meeting Lower Thresholds- Require Variance and Off-Site Mitigation or Compensation to be Paid to the City for Commercial Development When Necessary.
3. If Maximum Impervious Coverages Are Not Instituted the City Will Plan Low to Medium Density Subdivisions but the Developer Will Construct Medium to High Density Communities Due to Only Counting The Resident and Covered Patios toward the Maximum Impervious Surface Coverage under Our Existing Development Standards. This Has Severely Contributed to the Existing Problem.
4. Set the Stormwater Utility Fee for Residential Properties Based on Impact According to Lot Size.

Below Is A Sample Graduated Scale That Could Be Used To Set Residential Thresholds and Monthly Stormwater Utility Fees Based On The Maximum Impact A Property Would Have. This Is Taking Into Consideration That Ground In This Area Fills Quickly So And Runoff Occurs After Just A Small Amount Of Rainfall So The Size of the Property Itself Represents An Impact

<u>Lot Size</u>	<u>Monthly Fee</u>
Up to 7,500sf-----	\$2.00
7,501 to 10,000sqft-----	\$3.00
10,001 to 12,500sqft-----	\$4.00
12,501 to 15,000sqft-----	\$5.00
15,001 to 17,500sqft-----	\$6.00
17,501 to 20,000sqft-----	\$7.00
20,001 to 25,000sqft-----	\$8.00
25,001 to 30,000sqft-----	\$10.00
30,001 to 35,000sqft-----	\$12.00
35,000 to 43,559sqft (acre is 43,560sqft)-----	\$13.00
1 to 2 Acres-----	\$15.00
2 to 3 Acres-----	\$20.00
3 to 4 Acres-----	\$25.00
4 to 5 Acres-----	\$30.00
5 to 10 Acres-----	\$40.00
10 to 15 Acres-----	\$50.00
15 Acres and Over-----	\$60.00

The First 4 Brackets Captures Most Residential Lots Within the City of Kyle, Including Larger Subdivisions.

For Commercial Lots A Similar Calculation Can Be Used With The Understanding That Many Of These Properties Are Highly or Fully Developed and Cause a Greater Impact.

6. Will the City Assume Responsibility for the Maintenance of Retention, Detention, Drainage Channels, and Outfalls currently owned by HOA's? If the City doesn't, residents falling under a HOA will be paying the City but still be required to pay for work that essentially manages and transports Stormwater Runoff within the City limits. Areas within subdivisions managed by a HOA are equally important to the City as those living without HOA's. Argument could even be made that effective HOA's save the City revenue by addressing issues that others would involve City staff and time.

Secondly, if the City does take over maintenance responsibility for the aforementioned actions how will these projects be prioritized among the city's many other projects that it may consider higher priority?

I bring this specific topic up because Hometown Kyle is currently under contract to have \$85,000.00 worth of Stormwater Runoff and Drainage work competed. Much of the surface water making its way to our detention ponds, drainage channels and streets comes from areas outside our subdivision but within the Kyle City Limits and ETJ. The City has done nothing to help control this and it directly impacted our community during the October 2015 Storm and Flooding. Hometown Kyle and its developer paid for over \$50,000.00 worth of flood damage caused when water from outside our subdivision poured through our community with nowhere to go because FM150 was backed up.

7. Finally, will the Stormwater Utility Fee be arranged in such a way that after the initial purchase of equipment and completion of rehabilitative and corrective work that it will be decreased to a level designed strictly for maintenance of the stormwater and drainage system and upkeep of equipment?

Thank you for your time and consideration.

Respectfully,

Dave Douglas



The original La Fiesta Mexican Restaurant in Marion, IL has expanded to three locations, all serving the same authentic Mexican cuisine with the knowledgeable, friendly service you have come to rely on.



**SUPPORTING OUR LAW ENFORCEMENT
LAW ENFORCEMENT APPRECIATION
RESPECT**

**Come join us for a "Meet and Greet" with your local police officers.
This is an all day event for community and law enforcement
to meet and support one another.**

AUGUST 12, 2016

10:30AM-10:00PM

Need information contact Amanda Isaacs @ 618-218-8952

THIS IS NOT A BENEFIT OR FUNDRAISER.

We look forward to seeing you there.

AT ALL LOCATIONS:

**1000 N Carbon St, Marion, IL 62896 (618) 993-0028
1402 W Main St, West Frankfort, IL 62896 (618) 937-2838
110 Jackson St, Benton, IL 62812 (618) 435-2888**

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