

Minutes for the City Council meeting

333 West McLeroy Boulevard, Saginaw, Texas, 76179.

August 15, 2023, 6:02 PM - August 15, 2023, 9:43 PM

Roll Call: (The following members were in attendance)

Todd Flippo, Mayor
Cindy Bighorse, Place 5
Mary Copeland, Place 6
Randy Edwards, Place 4
Paul Felegy, Place 1
Valerie Junkersfeld, Mayor Pro Tem
Nick Lawson, Place 2

1. Call To Order

1A. Call To Order -- Todd Flippo, Mayor - 6:02 PM

Mayor Flippo called the meeting to order at 6:02 p.m.

Present:

City Attorney Bryn Meredith
City Engineer Trenton Tidwell, P.E.
City Manager Gabe Reaume
Asst. City Manager Lee Howell
Finance Director Kim Quin
City Secretary Janice England
Police Chief Russell Ragsdale
Fire Chief Doug Spears
Director of Public Works Randy Newsom
Director of Community & Economic Development Keith Rinehart
Director of Human Resources Melanie McManus
Library Director Ellen Ritchie
Communications Manager Pedro Zambrano
IT Manager Greg Clayton
Environmental/Drainage Manager Matt Regan

Absent:

None

Visitors:

Mark Towns
J.T. Manoushagian
Whitney Moore
Jose Wheeland
Michelle Emmett
Jennifer Wheeland
Robin Espinosa
John Peet
Brack St. Clair
Carmen Inglese
Corey Burnett
Bobby Oney
Dean Baumann
Austin Pittman
Joseph O'Connor
Tabitha O'Connor

Bryan Waugh
Kristi Haney
Taylor Guadian
Breanna Farley
Karen Saldana
Jill Smith
Jannet Garcia
Karen Cromwell
Dustin Mayhue
Tara Clontz
Homer Reyes
Beverly Brown

1B. Pledges--Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas--"Honor the Texas Flag; I pledge allegiance to thee, Texas, one State under God, one and indivisible" - 6:02 PM

1C. Invocation--Dr. Mark Towns, First Baptist Church - 6:03 PM
Dr. Mark Towns of the First Baptist Church gave the invocation.

1D. Audience Participation--Anyone wishing to speak during the discussion of an item listed on the agenda must complete an audience participation form. These forms are located by the Police Chief. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is discussed. You will have three (3) minutes to make your comments. - 6:03 PM

2. Consent Agenda

All items listed are part of the Consent Agenda. Public hearing and review are held collectively unless opposition is presented, in which case the contested item will be heard separately.

Valerie Junkersfeld made a motion to Approve that was seconded by Cindy Bighorse with a result of 7-0-0-0

2A. Action regarding Minutes, August 1, 2023--Janice England, City Secretary - 6:04 PM
The minutes of the City Council Meeting held on August 1, 2023 are presented for consideration.

2B. Action regarding Appointment of Crime Control and Prevention District (CCPD) Board of Directors for Members with Terms Expiring September 1, 2023--Janice England, City Secretary - 6:04 PM
The following CCPD Board of Directors Members have terms that expire on September 1, 2023: Valerie Junkersfeld, Paul Felegy, Nicky Lawson, and Randy Edwards. The Council must take action to reappoint these four members. Terms of office are two years. Staff recommends approval of the reappointments.

2C. Action regarding Ordinance No. 2023-24, 2023 Annual Service Plan Update and 2023 Assessment Roll for Public Improvements for the Beltmill Public Improvement District--Gabe Reaume, City Manager - 6:04 PM
This item is for action on the 2023 Annual Service Plan Update and 2023 Assessment Roll for public improvements for the Beltmill Public Improvement District. Ordinance No 2023-24 approves the annual service plan update and 2023 assessment roll for public improvements.

2D. Action regarding Resolution No. 2023-17, Approving a Negotiated Settlement Between The Atmos Cities Steering Committee ("ACSC") And Atmos Energy Corp., Mid-Tex Division Regarding the Company's 2021 Rate Review Mechanism Filing--LeeHowell, Asst. City Manager - 6:06 PM
The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.
Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about March 31, 2023, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2022, entitled it to additional system-wide revenues of \$165.9 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$156.1 million, \$113.8 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$130.9 million instead of the claimed \$156.1 million.

After several settlement meetings, the parties have agreed to settle the case for \$142 million. This is a reduction of \$23.9 million to the Company's initial request. This includes payment of ACSC's expenses. The settlement also includes an additional \$19.5 million for the securitization regulatory asset expenses related to Winter Storm Uri. This was previously approved by the Texas Legislature and Railroad Commission. The Effective Date for new rates is October 1, 2023. ACSC members should take action approving the Resolution/Ordinance before September 30, 2023.

This item was removed from the Consent Agenda for discussion.

Motion was made by Councilmember Felegy with a second by Mayor Pro-Tem Junkersfeld to approve Item 2D as presented. Motion carried unanimously. 7-0-0-0

2E. Action regarding First Amendment to Fort Worth City Secretary Contract No. 49683, An Interlocal Agreement between City of Fort Worth and Saginaw for Participation in the Environmental Collection Center Household Hazardous Waste Program--Matt Regan, Environmental/Drainage Manager - 6:09 PM

This item is for approval of the First Amendment to Fort Worth City Secretary Contract No. 49683, an Interlocal Agreement between the City of Fort Worth and Saginaw for participation in the Environmental Collection Center Household Hazardous Waste Program. Saginaw has participated in this program for many years. The program allows Saginaw residents to visit the collection center on Bridge Street in Fort Worth or the mobile collection unit that will be in Saginaw (on a date to be announced later) at no cost to the resident. The amendment addresses an increase in the fee from \$50 to \$95 per household per visit effective October 1, 2023. The financial impact will be the increase in the fee from \$50 to \$95 per household per visit. As in past years, funds will be included in the 2023-2024 budget for this expense. Staff recommends approval.

This item was removed from the Consent Agenda for discussion.

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Bighorse to table Item 2E until the September 5, 2023 City Council Meeting. Motion carried unanimously. 7-0-0-0

2F. Action regarding Acceptance of the Right-of-Way Encroachment Agreement for the FM156 at Industrial Intersection Project (CSJ# 0718-02-076) from Fuel City Saginaw, LLC--Randy Newsom, Director of Public Works - 6:04 PM

The FM156 at Industrial Project is a Texas Department of Transportation Project and funded through the North Central Texas Council of Governments COVID-19 Infrastructure Project. The City of Saginaw has taken the lead as the Local Sponsor having primary responsibility for utility clearance and right-of-way for the project. The project will require a future Advance Funding Agreement to finalize costs of the construction phase. Fuel City Saginaw, LLC has requested a Right-of-Way Encroachment for their existing sign. The proposed right-of-way encroachment agreement will be for an initial term of thirty (30) years commencing on the date this Agreement is executed. In addition to the initial term, Licensee has the option to renew the initial term for a successive period of thirty (30) years. There will be an application fee of \$325.00 due to the City to defray all costs of inspection and supervision during construction. Additionally, there will be a fee of \$.56 per square/linear foot of the encroachment area and this fee will be paid annually thereafter. Staff recommends approval.

2G. Action regarding Acceptance of the Permanent Right -of-Way Easement for the FM156 at Industrial Intersection Project (CSJ# 0718-02-076) from Fuel City, LLC--Randy Newsom, Director of Public Works - 6:04 PM

The FM156 at Industrial Intersection Project is a Texas Department of Transportation Project and funded through the North Central Texas Council of Governments COVID-19 Infrastructure Project. The City of Saginaw has taken the lead as the Local Sponsor having primary responsibility for utility clearance and right-of-way for the project. The project will require a future Advanced Funding Agreement to finalize costs of the construction phase. On October 18, 2022, City Council authorized Task 2 amendment to a professional services contract with Cobb, Fendley & Associates, Inc. to manage and negotiate right-of-way required for the FM156 at Industrial Intersection Project (CSJ# 0718-02-076). Fuel City Saginaw, LLC has provided a Permanent Right-of-Way Easement to construct a turn lane along their frontage. The proposed right-of-way easement is approximately 0.0839 acres of land. A fee of ten

dollars (\$10.00) is to be paid to Fuel City Saginaw, LLC (Grantor) by the City of Saginaw (Grantee) for the Permanent Right-of-Way Easement which allows access to Fuel City property for the construction of a turn lane. Funds for this expenditure will come from the Blue Mound/Industrial Improvements Account #06-1516-20-00. Staff recommends approval.

2H. Action Regarding Acceptance of Two (2) Fire Lane, Access, Utility and Drainage Easements from Bright Living Saginaw III, LLC--Randy Newsom, Director of Public Works - 6:04 PM

Bright Living Saginaw III, LLC (Grantor) is granting to the City of Saginaw (Grantee) two (2) Fire Lane, Access, Utility and Drainage Easements. One proposed easement is approximately 0.0049 acres of land and the second easement is approximately 0.0099 acres. A fee of \$10.00 each is to be paid to Bright Living Saginaw III, LLC (Grantor) by the City of Saginaw (Grantee) for these two easements. Funds for this expenditure will come from the Public Services Capital Outlay Account 01-7000-06-00. Staff recommends approval.

3. Proclamations-Presentations

3A. Discussion and presentation of potential consolidated dispatch services with Lake Worth- Russell Ragsdale, Police Chief - 8:04 PM

The Police Department is presenting the idea of a consolidated dispatch center with the Lake Worth Police Department. Lake Worth Police Department is proposed to be the host of the consolidated dispatch center. Lake Worth Police Chief J.T. Manoushagian gave a presentation regarding the proposed consolidation. Also present was Whitney Moore, Communications Manager. Chief Manoushagian explained the purpose of tonight's presentation was to determine if there was interest in the proposed consolidation, and if so, more details including plans and costs will be determined and presented to the Council at a future meeting. The consensus of the Council was to move forward with gathering more information regarding the proposal.

4. Public Hearings

4A. PUBLIC HEARING - Continuation of Public Hearing on the Fiscal Year 2023/2024 Proposed Budget--Gabe Reaume, City Manager & Kim Quin, Finance Director - 6:33 PM

Public Hearing was opened at 6:33 PM and closed at 7:54 PM

A public hearing on the Fiscal Year 2023/2024 Proposed Budget was advertised and held at the City Council Meeting on August 8, 2023. The public hearing was tabled to be continued at the August 15, 2023 City Council Meeting. The public hearing is required to allow for public input on the Proposed Budget. The proposed budget is the financial plan for fiscal year 2023/2024.

Mayor Flipppo declared the continuation of the public hearing opened at 6:33 p.m. There was a lengthy discussion regarding the proposed salary increase of 10% for all employees and an additional increase of 3% for public safety employees. The Council discussed giving employees a one-time retention payment in October. Various scenarios and amounts were discussed. The Council concurred to continue the discussion of a one-time retention payment for employees at the September 5th City Council Meeting.

Mayor Flipppo called for public input. Mr. Austin Pittman representing the Saginaw Professional Firefighters Association expressed his support of the proposed salary increase for public safety employees. Mr. John Peet expressed his support of the increases for employees. Mr. Brack St. Clair also expressed his support of the salary increases and one-time retention payments for employees. Ms. Breanna Farley, Animal Services Officer, suggested that positions in the Animal Services Department also be included with public safety positions for the extra 3% increase if public works employees were going to be included. Mayor Flipppo called for any additional public input. There was none. Mayor Flipppo declared the public hearing closed at 7:54 p.m.

4B. PUBLIC HEARING - Public Hearing on the Proposed 2023 Property Tax Rate for Fiscal Year 2023/2024--Gabe Reaume, City Manager & Kim Quin, Finance Director - 7:54 PM

Public Hearing was opened at 7:54 PM and closed at 7:56 PM

Mayor Flipppo declared the public hearing for the proposed 2023 property tax rate for Fiscal Year 2023/2024 opened at 7:54 p.m. Mayor Flipppo called for any public input. There was none. Mayor Flipppo declared the public hearing closed at 7:56 p.m.

4C. Consideration and Action regarding Resolution No. 2023-16, Adoption of the Fiscal Year 2023/2024 Budget--Gabe Reaume, City Manager & Kim Quin, Finance Director - 7:57 PM

Throughout the spring and summer, workshops have been held to discuss the proposed budget. Resolution No. 2023-16 will formally adopt the budget for Fiscal Year 2023/2024. The budget is the financial plan for the City.

Valerie Junkersfeld made a motion to Approve that was seconded by Nick Lawson with a result of 7-0-0-0

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Lawson to approve Resolution No. 2023-16, adoption of the Fiscal Year 2023/2024 Budget. Motion carried unanimously. 7-0-0-0

4D. Consideration and Action to ratify the property tax rate increase reflected in the Fiscal Year 2023/2024 Budget--Gabe Reaume, City Manager & Kim Quin, Finance Director - 7:59 PM

This item is required by law since the fiscal year 2023/2024 budget includes a property tax increase.

Valerie Junkersfeld made a motion to Approve that was seconded by Paul Felegy with a result of 7-0-0-0

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Felegy to ratify the property tax rate increase reflected in the Fiscal Year 2023/2024 Budget. Motion carried unanimously. 7-0-0-0

4E. Consideration and Action regarding Ordinance No. 2023-22, Adopting and Setting the Property Tax Rate for the 2023 Tax Year--Gabe Reaume, City Manager & Kim Quin, Finance Director - 8:01 PM

Ordinance No. 2023-22 sets the tax rate at 49.8769 cents (I&S at 23.4810 and M&O at 26.3959). This rate is reflected in the Fiscal Year 2023/2024 Proposed Budget. The required public hearing and notices have been published and held. Collection of property taxes at the adopted rate is a primary funding source for the General Fund and Debt Service Fund budgets. Staff Recommends adopting a property tax rate of 49.8769 cents to fund the Fiscal Year 2023/2024 Budget.

Cindy Bighorse made a motion to Approve that was seconded by Valerie Junkersfeld with a result of 7-0-0-0

Motion was made by Councilmember Bighorse with a second by Mayor Pro-Tem Junkersfeld that the property tax rate be increased by the adoption of a tax rate of 0.498769, which is effectively an 8.60 percent increase in the tax rate. Motion carried unanimously. 7-0-0-0

4F. Consideration and Action regarding Ordinance No. 2023-23, Water and Wastewater (Sewer) Service Rates--Gabe Reaume, City Manager & Kim Quin, Finance Director - 8:02 PM

The City of Saginaw contracts with the City of Fort Worth for the purchase of water and the treatment of wastewater. The City of Fort Worth bills the City of Saginaw for water based on volume, and wastewater treatment based on strength and volume that pass through the system. The City of Fort Worth has proposed a 4.99% decrease to water rates and a 14.82% increase to wastewater rates. The Fiscal Year 2023/2024 budget includes a water rate decrease of 5% and a wastewater rate increase of 15%. Ordinance No. 2023-23 addresses the water and wastewater (sewer) rate changes reflected in the budget.

Valerie Junkersfeld made a motion to Approve that was seconded by Randy Edwards with a result of 7-0-0-0

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Edwards to approve Ordinance No. 2023-23 as presented. Motion carried unanimously. 7-0-0-0

5. Business

5A. Consideration and Action regarding City Employee Survey - Melanie McManus, Director of Human Resources -

The employee survey is part of the 2023 Work Plan Project list adopted by the City Council at the February 21, 2023 council meeting. During the council meeting on June 6, 2023, City Council approved the contract with OnPointe Insights to conduct the 2023 City Employee Survey.

This item was postponed until the September 5th City Council Meeting.

5B. Consideration and Action regarding a City-Wide Classification and Compensation Study - Melanie McManus, Director of Human Resources - 6:23 PM

The city last completed a comprehensive formal classification and compensation study in the fiscal year 2016/2017. Since that time, recruitment difficulties have been attributed to the tight labor market and increased competition to attract talent. As a general rule, most organizations conduct comprehensive classification and compensation studies every five years. A compensation study will help us understand what the market is demanding, ensuring the ability to hire and retain qualified employees and assist with keeping salaries competitive with the DFW region. A compensation study will give us an accurate and unemotional third-party perspective on our employee's pay. The financial impact will be \$33,800. Staff recommends approval for Baker Tilly to perform a city-wide classification and compensation study.

Nick Lawson made a motion to Approve that was seconded by Mary Copeland with a result of 6-1-0-0 Opposed by Randy Edwards

Motion was made by Councilmember Lawson with a second by Councilmember Copeland to approve a City-Wide Classification and Compensation Study as presented. Motion carried 6-1-0-0

5C. Consideration and Action regarding Resolution 2023-18 Compensation Philosophy - Melanie McManus, Director of Human Resources - 6:30 PM

Resolution No. 2023-18 adopts a compensation philosophy to identify tools to aid present and future city councils with compensation increase decisions; and provide an effective date. A compensation philosophy is simply a formal statement documenting the company's position about employee compensation. It explains the "why" behind employee pay and creates a framework for consistency. Employers use their compensation philosophy to attract, retain and motivate employees.

Nick Lawson made a motion to Approve that was seconded by Paul Felegy with a result of 7-0-0-0

Motion was made by Councilmember Lawson with a second by Councilmember Felegy to approve Resolution No. 2023-18 as presented. Motion carried unanimously. 7-0-0-0

5D. Consideration and Action regarding Ground Lease with Triton Saginaw, LLC for Property at 400 S. Saginaw Blvd. and 405 S. Belmont St.--Bryn Meredith, City Attorney - 9:41 PM

The proposed Ground Lease Agreement with Triton Saginaw, LLC addresses the lease of the approximate 0.25 acre parcel adjacent to the former fire station building located at 400 S. Saginaw Blvd. The required public hearings were held earlier this year and at the City Council Meeting held on February 21, 2023, the City Council adopted Resolution No. 2023-05, approving the non-park use of the property.

Cindy Bighorse made a motion to Table that was seconded by Nick Lawson with a result of 6-0-1-0 Abstained by Valerie Junkersfeld

Motion was made by Councilmember Bighorse with a second by Councilmember Lawson to table Items 5D and 5E until the September 5th City Council Meeting. Motion carried 6-0-1-0. (Mayor Pro-Tem Junkersfeld abstained.)

5E. Consideration and Action regarding Chapter 380 Agreement with Triton Saginaw, LLC--Bryn Meredith, City Attorney - 9:42 PM

The proposed Chapter 380 Agreement with Triton Saginaw, LLC addresses the sale and development of the property at 400 S. Saginaw Blvd. and 405 S. Belmont St. This was approved at the October 18, 2022 City Council pending the property being vacated by the Fire Department. The Fire Department is now completely moved to their new location. The proposed agreement was drawn up by the City Attorney.

6. Executive Session

The City Council may take action on any Executive Session item posted.

6A. 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items: - 9:15 PM

Mayor Flippo declared the meeting recessed into Executive Session at 9:15 p.m.

Mayor Flippo declared the meeting back in Regular Session at 9:41 p.m.

6B. Any Posted Item -

6C. 551.087 Texas Government Code. Deliberation regarding Economic Development Negotiations. The City Council may convene in executive session to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described above, including: -

6D. 400 S. Saginaw Blvd. and 405 S. Belmont St. -

7. Adjournment

7A. Adjournment--Todd Flippo, Mayor - 9:42 PM

Mayor Flippo declared the meeting adjourned at 9:42 p.m.

Randy Edwards made a motion to Approve that was seconded by Cindy Bighorse with a result of 7-0-0-0