



City of Pflugerville

Minutes - Final - Final

City Council

Tuesday, September 24, 2019

7:00 PM

100 East Main Street, Suite 500

Regular Meeting

The City Council is scheduled to hold a Worksession starting at 6:00 p.m. Please see the Worksession Agenda for a list of items for discussion at the Worksession.

1. Call to order

Mayor Victor Gonzales called the regular meeting to order at 7:05 p.m. Councilmembers Doug Weiss, Jeff Marsh, Rudy Metayer, Mike Heath and Jim McDonald were in attendance. Mayor Pro Tem Omar Peña was absent. City employees attending: Sereniah Breland, City Manager; Charlie Zech, City Attorney; Trey Fletcher, Assistant City Manager; James Hartshorn, Assistant City Manager; Karen Thompson, City Secretary; Emily Barron, Planning Director; Erin Sellers, Senior Planner; Amy Good, Finance Director; Terri Toledo, Communications Director; Maggie Holman, Public Information Officer; Jennifer Coffey, Library Director; Jessica Robledo, Police Chief; Suzette Robinson, Public Works Director; Matt Woodard, Water Conservation/Regulatory Manager; Rhonda McLendon, Animal Welfare Services Director; Lauren Henkes, Assistant Finance Director; Stephanie Nations, Budget Analyst.

2. Opening

A. Pledge of Allegiance to the Flag of the United States of America

Mayor Gonzales lead those in attendance in reciting the Pledge of Allegiance to the Flag of the United States of America.

B. Pledge of Allegiance to the Texas State Flag

Mayor Gonzales lead those in attendance in reciting the Pledge of Allegiance to the Texas State Flag.

C. Moment of Silence

Mayor Gonzales observed a moment of silence.

3. Items of Community Interest

Mr. Weiss provided a reminder that the Pfarmers Market is still going on. Mr. McDonald read a letter from the grandson of Thi Ho who died September 17, 2019 following an accident on September 12, 2019 while riding his bicycle. Mr. McDonald asked the public to share the roadway and to be cognizant of

pedestrians and bikes. Mr. Metayer reported that he had attended the Lions Club meeting on Monday and heard from nurses across the school district thanking the Lions Club for their support for kids. He stated that they make a big difference. Mr. Marsh and Mr. Heath invited others to join the Lions Club.

4. Presentations

- 4A.** [2019-7840](#) Presentation of a Mayor's proclamation declaring Pflugerville Pink Pfridays during October 2019 in observation of Breast Cancer Awareness Month.
- Mayor Gonzales read the proclamation and presented it to Kimberly and Khala Hanson and family. He acknowledged the attendance of David Kolovson of the American Cancer Society.
- 4B.** [2019-7670](#) Proclamation declaring Tuesday, October 1, 2019 as National Night Out in the City of Pflugerville.
- Mayor Gonzales read the proclamation and presented it to Lt. Chet Vronka.
- 4C.** [2019-7774](#) Presentation of the City, County, Communications and Marketing (3CMA) Awards
- Ms. Toledo announced that the City was a finalist in the Best Use of Humor video category for the #NationalGrammarDay video on how to use the Pf and Chili Pfest was recognized as a best event for its rebranding, new website and festival updates. Ms. Toledo showed the video on how to use the Pf.

5. Public Comment

There were no requests to speak under the public comment item.

Mayor Gonzales opened items 6A, 6B and 7A to receive public comment on those items.

6. Ordinances First and Final Readings

- 6A.** [ORD-0479](#) Discuss and consider action to approve an ordinance on first and final reading with the caption reading: An Ordinance of the City of Pflugerville, Texas, Adopting the Fiscal Year 2020 Budget for the City of Pflugerville, Texas.
- 6B.** [ORD-0478](#) Discuss and consider action to approve an ordinance on first and final reading with the caption reading: Tax Levy Ordinance of the City of Pflugerville, Texas for Fiscal Year 2020.

7. Resolution

- 7A.** [RES-0645](#) Discuss and consider action to approve a Resolution Ratifying the

Property Tax Increase Reflected in the City's Fiscal Year 2020 Operating Budget.

Terry Newsom, 403 12th Street, stated that he has questions regarding the Capital Metro Pilot Program. He stated that if we do not have a program now, now is the time to get out of it and spoke to his concerns. Mr. McDonald stated that this is just a pilot program. Mr. Newsom stated that once you get in, it costs to get out. He stated that he does not want them to vote for that. He suggested that the City of Pflugerville purchase its own shuttle buses to be controlled by the City.

Deanna Huff, 16501 Edgemere, stated that she is on a fixed income with monthly expenses continually increasing. She stated that the tax increases cause escrow shortages. She stated that she was disappointed in last week's half-hearted approach to lower taxes. She stated that she is trying to not get taxed out of her home.

Cindy Nelson, 16414 Framingham Circle, asked for those that are retired or disabled, where they are supposed to get the extra money. She stated that she is a single retiree and taxes, utilities and the cost of living have gone up. She stated that continually upping the taxes is not the answer. She stated that those of them at the meeting are just a small portion of those that are watching the outcome and that these choices will dictate how they will vote. She asked them to please not pass the maximum tax just because they can.

Barbara Najera, 1102 Teakwood Trail, signed up to speak but indicated to wish to defer her time to Mr. Nguyen.

Anthony Nguyen, 19905 Tree Sap Way, stated to the Council that they have listened to them. He stated to Mr. McDonald that he is an entrepreneur and a man of courage and that he needs to maximize the base for next year. Mr. Nguyen stated that we are not tapped out on sales tax and fees. He stated to Mr. Heath that he is usually the vocal voice of no spending, but understands that he thinks we haven't invested enough over the years. He stated to Mr. Metayer that he knows that he wants to represent the people, but sometimes it is hard to see where he stands. He stated to Mr. Gonzales that he is a statesman and he knows that he listens to all of the people's concerns and that he is doing the best he can. He stated to the City Manager, that it's tough and he feels for her and that she has to have a lot of patience to find consensus with this Council. He stated to Mr. Marsh, that it is not a lot of money. He asked why all of these people are fighting for a small amount. He stated it is for the same reason that the City is fighting for it, it adds up. He stated to Mr. Marsh to not lose sight of what is important. He stated to Mr. Weiss that he knows he understands and that he appreciates him being the tip of the spear and supporting what he asked for. He stated that the Councilmembers are honorable men and that they listen. Mr. Nguyen stated that he would not cut anything from the budget. He stated that he would hire more engineers and bring those services in house to reduce costs. He stated that he thinks that people would support more infrastructure costs. He recommended keeping the budget as is and making up the difference needed by increasing the sales tax revenue.

Urcha Dunbar-Crespo, 1230 Disraeli Circle, stated that she looked at the proposed budget and was very pleased to see that it includes funding for the design work for the Historic Colored Addition. She thanked the Council for moving it forward and for their commitment.

Danny Selman, 200 Willow Street, did not wish to speak but asked that the Mayor submit his comment that he opposes any increase in the property tax rate and that he feels that increased property valuations will result in adequate additional income.

Bob Reichenbach, 309 Cottonwood Lane, stated that he wants to remind the Council about the seniors, disabled and those on a fixed income. He spoke on Round Rock and Georgetown property tax rates and stated that the City of Pflugerville is missing opportunities for new business, because the tax rate is higher here. He stated that he appreciates the Council looking at these numbers to make sure Pflugerville is a standout community.

James Selman, 903 Purple Martin Drive, did not wish to speak but asked that the Mayor submit his comment that he opposes any increase in the property tax rate and that currently with the same rate, the city would still get close to 8% increase with home value rise alone.

Toni Caldwell Henton, 804 Yale Drive, did not wish to speak but asked that the Mayor submit her comment that as a descendent of both Ned Tyson and George Caldwell, original settlers in the Colored Addition, she thanks them for their support of the improvement to the Historic Colored Addition.

There were no additional requests to speak. Council discussion followed.

Mr. Weiss stated that his recommendation is to leave the property tax rate at last year's rate and to look at modification of the sales tax revenue. Mr. Heath indicated concern that sales tax is volatile and could be flattening or downturning now. Mr. Marsh stated that Verdunity recommended to not use sales tax for operations but to instead diversify land usage. Mr. Metayer stated that the sales tax estimate has been conservative to the point that it wasn't a real estimate. Ms. Breland stated that some cities in Texas are seeing a downtrend in sales tax and she is uncomfortable with raising it too much. There was continued discussion regarding sales tax revenues.

Mr. Heath asked Mr. Weiss if he would like to keep the property tax rate the same, where he would take that out of the budget. He indicated concerns with increasing the sales tax projections. Mr. Weiss suggested taking the transportation funds to the Pflugerville Community Development Corporation (PCDC) for consideration. Mr. Marsh indicated concerns for using PCDC funds, questioning how long that would be sustainable. Mr. McDonald cautioned the use of PCDC funds, knowing that they are 100% reliant on sales tax and that their debt service is set to increase. Mr. Metayer stated that they are going to have to discuss services that the City is providing for free, like chipping. There was discussion regarding the chipping program.

Ordinances First and Final Readings

- 6A. [ORD-0479](#) Discuss and consider action to approve an ordinance on first and final

reading with the caption reading: An Ordinance of the City of Pflugerville, Texas, Adopting the Fiscal Year 2020 Budget for the City of Pflugerville, Texas.

Mayor Gonzales read item 6A to include the caption of the ordinance for consideration.

Mr. McDonald made a motion to adopt the FY20 budget as presented by staff. The motion died due to lack of a second.

Mr. Marsh made a motion to adopt the FY20 budget with a reduction to \$128,000 in Transportation and a reduction of Council budget to \$6,000. The motion died due to lack of a second.

There was continued discussion. Ms. Breland indicated that she would be comfortable with increasing the sales tax projections for next year at a 7% increase of this year's actual, which would be a total of \$11,150,000. Discussion followed.

Mr. Weiss made a motion to adopt the FY20 budget with amendment to update the sales tax revenue to 7% over this year's actual in the amount of \$11,150,000 and to cut the transportation pilot program by \$81,000 and to keep the current tax rate of 4.976. Mr. Metayer seconded the motion. Mr. Heath asked what this would do to the City next year. Ms. Breland stated that it is not always the popular thing, but when you look at the budget, you do not get the full picture. She stated that we are 10 years behind; we are not ADA compliant. She stated that she has serious concerns and that she will continue to tell the Council that decreasing the tax rate to 4.976 is detrimental. She noted that some that spoke at the meetings with concerns for increasing property taxes, would actually have decreasing property taxes this year due to decreasing values. Mayor Gonzales called for a vote. The vote was: Mr. Weiss-yes, Mr. Marsh-no, Mr. Metayer-yes, Mr. Heath-no, Mr. McDonald-no, Mayor Gonzales-yes. The vote was tied 3 to 3. The motion failed.

Mayor Gonzales called for a break. The time was 8:40 p.m. Mayor Gonzales reconvened at 8:58 p.m.

Mr. Marsh stated that he likes the concept, but would like to find a middle ground. He stated that it is okay to increase the sales tax projection at staff's recommendation, but he has concerns for 5 years from now. He stated that he does not want to be an alarmist, but they still have to concern themselves with the functions of the government. He stated that sales tax is not for funding city operations. Discussion followed. Mr. Heath stated that there are a lot of unmet needs; items that were not included in the budget that will need to be addressed eventually. He stated that he thinks they need to get to the middle. He stated that he would like to keep the tax rate the same, but it would be irresponsible. Mr. Marsh stated that he thinks the middle ground was \$128,000 for transportation and \$6,000 for the Council budget. Mr. McDonald stated that the earlier estimate from Cap Metro was \$278,000, but they have now suggested that they could provide 2 shuttles on demand for \$177,000. He suggested that they reduce the transportation item by \$100,00 to \$178,000 and increase the sales tax revenue to \$11,150,000 and have staff calculate the amended property tax rate. Michelle Meaux, Cap Metro, provided information on the proposal for 2 shuttle vehicles that would cover an approximately 5-mile

square area. Discussion with Council and Ms. Meaux followed. Mr. Metayer stated that the City is not tied to Cap Metro with the budgeting of funds. Ms. Meaux stated that they would be leveraging federal funds with Cap Metro and CARTS. Mr. Marsh suggested a \$134,000 increase in sales tax, to cut transportation to \$128,000 and to cut Council to \$6,000. Mr. McDonald made a motion to adopt the FY20 budget amending transportation from \$278,000 to \$177,000 and to accept staff's new sales tax projection by increasing it to \$11,150,000 and with the additional revenue to refactor the property tax rate. Mr. Weiss seconded the motion. Mr. Marsh stated that he advocates that they go to the full proposed rate. All voted in favor. The motion carried.

Mayor Gonzales called for a break. The time was 9:30 p.m. Mayor Gonzales reconvened in open session. The time was 9:36 p.m.

6B. [ORD-0478](#)

Discuss and consider action to approve an ordinance on first and final reading with the caption reading: Tax Levy Ordinance of the City of Pflugerville, Texas for Fiscal Year 2020.

Mayor Gonzales read item 6B to include the caption of the ordinance for consideration.

Mr. Weiss stated that the current property tax rate is the most appropriate. Mr. Weiss made a motion to adopt the tax rate of \$0.4976 per \$100 valuation, which is effectively an increase of 5.7% in the tax rate. Mr. McDonald seconded the motion. Discussion followed. Ms. Breland stated that there would remain \$20,000 of unencumbered balance. Mr. Metayer stated that he thinks they have worked through this fair compromise and that they need to have conversations regarding priorities. Mr. McDonald stated that they have had worksessions and have different priorities. He stated that he thinks the staff's budget recommendation is a culmination of all of their priorities. He stated that it includes a lot of these things. He stated that he thinks they can do better but that he thinks that they are doing that already.

Mayor Gonzales called for a vote on the item. The vote was: Mr. Weiss-yes, Mr. Marsh-no, Mr. Metayer-yes, Mr. Heath-yes, Mr. McDonald-yes, Mayor Gonzales-yes. The motion carried.

For the second action on item 6B to formally adopt the tax levy ordinance with a property tax rate of \$0.4976 per \$100 of valuation, Mr. Weiss made a motion to approve the ordinance under 6B as presented. Mr. Metayer seconded the motion. All voted in favor. The motion carried.

7. Resolution

7A. [RES-0645](#)

Discuss and consider action to approve a Resolution Ratifying the Property Tax Increase Reflected in the City's Fiscal Year 2020 Operating Budget.

On item 7A, Mayor Gonzales announced that this resolution is the final action needed to ratify the tax rate just adopted to support the City's budget. Mr. Weiss made a motion to approve the resolution. Mr. Metayer seconded the motion. All voted in favor. The motion carried.

Reading of the Consent Agenda

Mr. McDonald noted a typo in the resolution on item 10A for correction. Ms. Thompson read the items to include the caption of the ordinance under consideration.

8. Approval of Minutes

- 8A. [2019-7842](#) Approval of the minutes of the September 10, 2019 Worksession and Regular Meeting.

The minutes were approved on the consent agenda.

9. Ordinances Second Reading

- 9A. [ORD-0474](#) Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas granting the amendment to a lease of City property on approximately 27.76 acres, a portion of two tracts of land totaling approximately 48.97 acres of land out of the Joseph Wiehl Survey No. 8, Abstract No. 802, in Travis County, Texas; more specifically described in two deeds to the City of Pflugerville, of record in document numbers 2003038258 and 2003038259 of the Official Public Records of Travis County, Texas.

The ordinance was approved on second and final reading on the consent agenda.

10. Resolution

- 10A. [RES-0652](#) Approving a resolution with the caption reading: Resolution of the City of Pflugerville adopting Downtown parking policies and action items consistent with the findings from the Old Town Pflugerville Vision Report, the Downtown Action Plan (2019-2021), and the Downtown Parking Study.

The resolution was approved on the consent agenda.

11. Other Actions

- 11A. [2019-7821](#) Approve the award of a bid for sludge hauling and disposal with Sheridan Environmental, LLC in the amount of \$545 per load and authorize the City Manager to execute a standard governmental contract and purchasing rider for same.

The item was approved on the consent agenda.

Action on the Consent Agenda

Mayor Gonzales made a motion to approve the consent agenda. Mr. Weiss seconded the motion. All voted in favor. The motion carried.

12. Discuss and consider action

- 12A.** [2019-7697](#) Discuss and consider action to approve the Pflugerville Community Development Corporation (PCDC) FY20 Budget.

Amy Madison, PCDC Executive Director, provided information and answered questions of Council. Mr. Heath stated that he finds the budget reports to be inadequate. Ms. Breland stated that she would recommend reflecting the fund balance in the budget. Ms. Madison stated that they can provide the budget in any format as required. Mr. Weiss stated that the PCDC would continue to make changes to align with the City. There was continued discussion. Ms. Breland recommended to approve the budget with an amendment to add the fund balance. There was continued discussion with Ms. Madison. Mr. McDonald made a motion to approve the budget with the amendment to add the fund balance. Mr. Weiss seconded the motion. The vote was: Mr. Weiss-yes, Mr. Marsh-yes, Mr. Metayer-yes, Mr. Heath-no, Mr. McDonald-yes, Mayor Gonzales-yes. The motion carried.

- 12B.** [2019-7850](#) Discuss and consider action to approve the Pflugerville Community Development Corporation (PCDC) Corporate Investment Policy and Reserve Policy.

Mayor Gonzales announced that city staff had requested to postpone the item. There was no discussion or action on the item.

- 12C.** [2019-7848](#) Discuss and consider action to award a construction contract for the Black Locust Drive Pavement Rehabilitation Project to Smith Contracting Co., Inc., the lowest responsible bidder of seven (7) bids received on September 19, 2019, in the amount of \$1,144,297.40 and authorizing the City Manager to execute same.

Ms. Davis provided information. Council asked why the considerable difference in the engineer's estimate and the construction bids. Dan Franz, Freese and Nichols, spoke to the change in an aspect of the project, increasing asphalt costs and generally that companies are busy so costs are higher at this time. Council discussion followed. Mr. Metayer made a motion to approve the award of the construction contract to Smith Contracting in the amount of \$1,144,297.40 and to authorize the City Manager to execute same. Mr. Heath seconded the motion. All voted in favor. The motion carried.

13. Discuss only

- 13A.** [2019-7851](#) 1.) Executive Session Item: Deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code regarding economic development agreements for Project Charm.

Mayor Gonzales announced that the City Council was retiring to executive session on item 13A. He read the item and retired to executive session. The

time was 10:22 p.m. Mayor Gonzales reconvened in open session at 10:47 p.m.
No action was taken.

14. Adjourn

Mr. Marsh made a motion to adjourn. Mr. McDonald seconded the motion. All voted in favor. The motion carried. The meeting was adjourned at 10:47 p.m.

Respectfully submitted,

Karen Thompson
City Secretary

Approved as presented on October 8, 2019.