

MINUTES
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
Regular Meeting, Tuesday, September 21, 2021

1. CALL TO ORDER: Mayor John Williams at 6:30 P.M.
2. QUORUM CHECK: Kristin Mueller, City Clerk

Present:

Mayor John Williams
Mayor Pro Tem Richard Neville
Councilmember Bear Goolsby
Councilmember Tom Maxwell
Councilmember Paul Najarian
Councilmember William Shelby, virtual
Councilmember Beverly Volle

Present:

Kim Turner, City Manager
Matthew Longoria, City Attorney
Randy Luensmann, Public Works Director
Jessica Moore, Finance Director
Kristin Mueller, City Clerk/Economic Dev Director
Shana Palos, Finance Clerk

Mayor Williams noted a quorum was present.

3. INVOCATION: Mayor Pro Tem Neville gave the invocation.
4. PLEDGE OF ALLEGIANCE TO THE U.S. AND TEXAS FLAG: Led by Mayor Williams.
5. VOTE TO CONSIDER THE EXCUSE OF ABSENT MAYOR/COUNCILMEMBERS:

No action was necessary; all councilmembers were present.

6. AWARDS/PROCLAMATION/INTRODUCTION OF GUESTS:

Mayor Williams proclaimed October 3-9, 2021 *Fire Prevention Week* in Universal City. Fire Chief Manuel Casarez accepted the proclamation and reminded residents to check their fire alarm batteries and to know the sounds of fire prevention.

7. CONSENT AGENDA:

Mayor Pro Tem Neville moved to approve the following consent agenda items:

- a.) Consider City Council Minutes for the Tuesday, September 7, 2021 Regular Meeting.
- b.) Consider Ordinance 149-M-31-9-2021: An Ordinance of the City of Universal City, Texas, amending Ordinance 149 Fee Schedules; Amending Ordinance 149-M-31-8-2020 and repealing all ordinances or parts of ordinances in conflict; and amending the Universal City Code of Ordinances accordingly. (2nd Reading).
- c.) Consider Ordinance 149-M-32-9-2021: An Ordinance of the City of Universal City, Texas, amending Ordinance 149 Fee Schedules; Amending Ordinance 149-M-32-08-2020 and repealing all ordinances or parts of ordinances in conflict; and amending the Universal City Code of Ordinances accordingly. (2nd Reading).
- d.) Consider Ordinance 570-D-2021: An Ordinance of the City of Universal City, Texas, amending Ordinance 570-C-2016 to establish new municipal storm water utility fees; and amending the Universal City, Texas, Code of Ordinances. (2nd Reading).

- e.) Consider a request from the Greater Randolph Area Veterans Council (GRAVC) to waive the \$100 Parade Permit Fee for the Veterans Day Parade scheduled for November 6, 2021.
- f.) Consider cancelling October 5, 2021 City Council Meeting.

Councilmember Maxwell seconded the motion.

**Vote: Yeas: Neville, Maxwell, Goolsby, Najarian, Shelby, Volle
Nays: None**

Motion to approve carried.

8. CITIZENS TO BE HEARD:

- Bernie Rubal, 635 Balboa, said it was difficult to get the Agenda Packet tab information prior to the meeting. He commented that the proposed budget is the largest budget in the history of Universal City. He said that administration has increased costs by 45%, Development Services by 76.4%, and Finance by 49%, the Police Department by 10% the Fire Department by 4%, and General Services down by 25%. He questioned how the Golf Course was budgeted this year because it looks to him like the General Fund pays \$330,000 in addition to the portion of sales tax that is contributed to the golf course. He believes there is a problem with the golf course because it remains \$1.82M in debt. He recommended areas of the budget that he thought could be cut and asked City Council to do their due diligence and review very carefully the expenditures that city staff is proposing.
- Kim Igleheart, 736 Garden Meadow, on behalf of UC Tax Freeze, stated that she would like to clarify statements and answer questions about the UC Tax Freeze. She provided that the true estimated cost of the upcoming election is \$8,719, \$0.76 per registered voter. She stated that councilmembers did not question the \$7,100 spent on the special election to remove the parkland dedication nor other expenses that are well over \$8,000. She said that UC Tax Freeze obliged with the City Charter by getting all 120 pages of their petition notarized. She also clarified that the UC Tax Freeze election had to take place in November instead of May because the City Charter requires that a certified petition must be submitted to voters within 6 months of certification. She asked if \$0.76 was too high a price for democracy and asked councilmembers to reconsider their role if they are unable to support the City Charter and State Constitution.
- John Lujan, 20003 FM 1937, announced he is running for State Representative for District 118. The district stretches from Somerset, to Harlandale, to Universal City and Selma. He said he was the only Republican Representative elected to District 118. He said he was a retired firefighter San Antonio Fire Department and currently owns a technology company. This year, his watch party is going to be at the VFW in Universal City and he invited everyone to attend.

9. BUSINESS:

A. Consider UCEDC bid acceptance for 2021 Houston Dr. project.

City Manager Kim Turner reminded City Council that this is part of the E. Aviation Revitalization project. East and West Aviation is undergoing construction currently. Because this area is anticipating development, extending the roadwork to including Houston Dr. will help get the appropriate infrastructure for the upcoming development.

Economic Development Director Kristin Mueller explained that there were 3 responsive bidders for the 2021 Houston Dr. project. HDR vetted the responses and recommended approval of the lowest bid, D&D Contractors, in the amount of \$194,456.00. The design will meet the standards of the Aviation District Masterplan; 8' sidewalks, street side parking, and 15' travel lanes.

Councilmember Shelby asked if there are bike lanes included. Public Works Director Randy Luensmann confirmed that they are not.

Councilmember Najarian moved to accept the bid for the 2021 Houston Dr. project from D&D Contractors in the amount of \$194,456.00. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Najarian, Goolsby, Neville, Maxwell, Shelby, Volle
Nays: None**

Motion to approve carried.

- B. Discuss & Consider Resolution 812-B-2021: A Resolution of the City Council of the City of Universal City, Texas, authorizing the City Manager to enter into a Finance Agreement with TexStar National Bank for a five-year loan on twenty-five golf carts, one beverage cart, and seventy-five golf cart GPS devices for a total amount of \$335,315.75; and establishing an effective date.**

Mrs. Turner reminded Council that the City used PNC last year, the Financing Corporation of EZ Carts. The interest rate through PNC was 8%. TexStar would refinance our old purchase and finance the 5 new carts for 4% for 5 years.

Councilmember Maxwell noted that while the City pays the lease on the carts, golfers pay to rent the carts when they play. He asked what the break-even point would be on the loan. Mrs. Turner answered that each cart rents out for \$10. On an average day, there is about 100 golfers. If you multiple that out over a year, the carts do pay for themselves over time. The carts have to be switched out because the lifespan of the golf cart batteries are five years.

Mayor Williams mentioned that the carts are designed for 2 riders.

Mrs. Turner mentioned that the golf course is only 900 rounds short of making 40,000 rounds this Fiscal Year.

Councilmember Shelby moved to approve Resolution 812-B-2021. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Shelby, Goolsby, Neville, Maxwell, Najarian, Volle
Nays: None.**

- C. Discuss & Consider Resolution 925: A Resolution of the City of Universal City, Texas authorizing the acceptance of a payment for Federal Funds allotted to the City through the American Rescue Plan Act of 2021; authorizing the City Manager to execute documents and take any necessary actions to facilitate the purposes of this resolution and setting an effective date.**

Mrs. Turner said the Federal Government has created the American Rescue Plan Act, allocating funds to the local government for responding to the public health emergency and the resulting

negative economic impacts of the Coronavirus. Universal City will receive \$5,176,248 total. \$2,58,124 has already been received and placed in a special fund; the rest of the payment is due in August 2022. The Staff has reviewed the ARPA guidelines and devised a budget that provides funding for cybersecurity, investment and protection of public infrastructure, and the City's ability to respond to public health emergencies. Because the cost and availability of supplies are constantly changing, there is a small portion of the budget undesignated to account for those changes. Also, the ARPA guidelines have advised that the use of funds may change between the first and second payments.

Mayor Pro Tem Neville moved to approve Resolution 925. Councilmember seconded the motion.

Vote: Yeas: Neville, Najarian, Goolsby, Maxwell, Shelby, Volle
Nays: None.

D. Presentation of proposed FY2022 Budget.

Finance Director Jessica Moore presented the proposed FY 2022 Budget and answered questions accordingly. She noted that the proposed budget is based on the Voter Approval Tax Rate.

The proposed budgets for FY 2022 are:

| Fund | Revenue | Expenditures |
|---------------------|----------------|---------------------|
| General Fund | \$18,329,540 | \$18,172,618 |
| Capital Projects | \$6,664,396 | \$6,484,564 |
| Debt Service | \$2,175,494 | \$2,145,119 |
| Utility Fund | \$11,137,160 | \$11,004,022 |
| Storm Water Utility | \$1,094,650 | \$1,093,491 |
| Golf Course | \$2,683,274 | \$2,680,934 |

Councilmember Goolsby asked if Council adopts this budget could the tax rate be changed.

City Attorney Matthew Longoria said that the tax rate would need to be adopted to support the approved budget.

Mrs. Turner said that the change could be made after the budget is adopted.

Councilmember Shelby asked if the \$330,000 being transferred from the General Fund is actually the Sales Tax collected. Mrs. Turner confirmed that is true.

E. Public Hearing on proposed FY2022 Budget.

Mayor Williams opened the Public Hearing at 7:36 P.M.

Bernie Rubal, 635 Balboa, stated that the \$330,000 is not reflected in prior year budgets. It also suggests that only \$87,000 was given to the golf course in the 2020 budget. But he believes that \$590,000 was transferred last year based on the audit.

Mayor Williams closed the Public Hearing at 7:37 P.M.

F. Discuss & Consider Approval of the FY 2022 Budgets.

Councilmember Goolsby asked how not raising the tax rate would affect the budget.

Councilmember Shelby moved to approve the FY2022 Budgets below:

| Fund | Revenue | Expenditures |
|---------------------|----------------|---------------------|
| General Fund | \$18,329,540 | \$18,172,618 |
| Capital Projects | \$6,664,396 | \$6,484,564 |
| Debt Service | \$2,175,494 | \$2,145,119 |
| Utility Fund | \$11,137,160 | \$11,004,022 |
| Storm Water Utility | \$1,094,650 | \$1,093,491 |
| Golf Course | \$2,683,274 | \$2,680,934 |

Councilmember Maxwell seconded the motion.

**Vote: Yeas: Shelby, Maxwell, Neville, Goolsby, Najarian, Volle
Nays: None.**

G. Presentation on 2021 Tax Rate to support the FY 2022 Budget.

Finance Director Jessica Moore stated that the certified total taxable property value was \$1,560,162,573, with new property values of \$25,058,100 and the average tax value of \$225,798. Based off the FY2022 Budget, the Proposed FY2022 Tax Rate is 0.589398 (Maintenance & Operation 0.4888861; Debt Service Rate 0.100537). The total estimated property tax revenue is \$9,231,886.

H. Public Hearing on 2021 Tax Rate to support the FY 2022 Budget.

Mayor Williams opened the Public Hearing at 7:54 P.M.

Steven Buck, 8603 Phoenix, said Universal City is the best city he has lived in thus far. As property values go up, taxes do too by default. Also, he agrees with Councilmember Shelby that the cost of living has increased. He was interested in knowing what the increase in revenue would be to support FY2022 budgets if the tax rate for year 2021 stayed the same as it was in 2020, considering the increase in property valuation and the new property on the tax role.

Bernie Rubal, 635 Balboa, said that \$100,000 was budgeted for Promotion & Development but only \$2,400 was spent. This year, the proposed budget is \$24,000. He said the increase in one year is 23.4%, for 3 years is 33%, in Admin, Planning, and Finance. Did you expect that much of a year in property taxes?

Mayor Williams closed the public hearing at 7:59 P.M.

I. Resolution 909-B-2021: A resolution ratifying Property Tax increase of \$233,096 reflected in the Fiscal 2022 Budget.

Upon request, Mrs. Turner gave what she called the "Goolsby" rate 0.585000, slightly lower than last year's rate, but close to the Voter Approved Rate. It was determined that if the "Goolsby" rate of 0.585000 was used, the excess revenue over expenditures would be \$227,438.64.

Councilmember Goolsby said that he would like to keep the rate the same as last year so that the increase can be based on the increase in property value, but not a higher tax rate.

Mayor Pro Tem Neville made clear that the Debt Service rate cannot be changed, only the Maintenance and Operation rate can be changed.

Mayor Williams stated that setting the tax rate and budget is a complex process and that the time for debating the tax rate and budget was at the workshops prior to this meeting. This meeting is to vote on the budget and rate that has already been proposed.

Councilmember Shelby said that in previous years the City increased property tax revenue by 7.9%, the maximum allowed at that time. Since then, the State capped the revenue increase allowed to 3.5%. Council had to make tough decisions about the budget. Including not giving staff Cost of Living adjustments. Moving forward, the City's ability to increase revenue is capped at 3.5% in future years. Mrs. Turner said that the difference between what the City increases and the 3.5% can be rolled over to cover future debt service.

Councilmember Shelby moved to approve Resolution 909-B-2021. Mayor Pro Tem Neville seconded the motion.

Vote: Yeas: Shelby, Neville, Maxwell, Najarian, Volle
Nays: Goolsby

J. Ordinance 656-B-2021: An Ordinance setting the Ad Valorem Tax Rate for 2021 at \$0.589398 per \$100 of appraised value; appointing a tax Assessor/Collector.

City Manger Kim Turner stated that when the motion is made to adopt the tax rate, the M&O Rate, Debt Service Rate, and Total Tax Rate must be read aloud. She also noted that there will be a Special Meeting on Tuesday, September 28th for the second reading of this ordinance.

Councilmember Shelby moved to approve Ordinance 656-B-2021, adopting the Ad Valorem Tax Rate for 2021 of \$0.589398 (M&O of \$0.488861; Debt Service \$0.100537). Councilmember Najarian seconded the motion.

Vote: Yeas: Shelby, Najarian, Neville, Maxwell, Volle
Nays: Goolsby

10. CITY MANAGER COMMENTS:

Mrs. Turner:

1. Mentioned that renovation of the old Acme Ace building has begun;
2. Announced the reservation software for parks has gone live;
3. Invited everyone to visit the UC Pumpkin Patch that opens October 1st. Community Heroes Day is October 2nd from 11 A.M. -2 P.M.;
4. Stated that the Fall Fair at the Pumpkin Fair will take place on October 9th and Wine on the Vine is October 10th;
5. Shared that the Fall Clean-Up will be held October 14-17th and October 21-24th from 8 A.M. -5 P.M.; and

6. Explained that the Waste Management polycarts will be delivered the week of January 15th. Residents will be notified by 2 postcards, 1 robocall, a notice on the front door, and a packet when then polycarts are delivered.

12. COUNCILMEMBER COMMENTS:

Mayor Pro Tem Neville shared about a bicycle accident that happened near Universal City and recommended that the City does a bicycle safety program. He also would like to see a new sidewalk installed from the street to the 9/11 Memorial at Red Horse Park. He commented that the information on the electronic board are often out of date and would like that corrected. Finally, he is excited to see the mobile food park come to fruition in the Aviation District.

Councilmember Volle said she has read social media comments. She has seen that passion is running high and asked everyone to remember that we are all neighbors, and we all want our City to be a great place to live for young and old alike. She remembered when Mr. Taylor said several years back that employee salaries must keep up with surrounding cities. If not, once employees are trained, they will leave. She said that Universal City is a small city with big city issues and invited residents to attend the Citizens Police Academy.

Councilmember Goolsby said National Night Out is October 5th and is excited for the brewery to open in the near future.

Councilmember Shelby thanked Public Works for fixing a leak at a manhole on a Sunday and said that they provided brilliant service. He mentioned he always disliked raising taxes too, but that was when it was 7.9% every time. He also joked that if Waste Management was going to send out postcards and do robocalls, that they might be able to help him with his car warranty as well.

Councilmember Najarian stated that he wonders if Council can make any right decisions based on the recent social media posts. He said that he was excited that Dutch Bros will be opening soon. He is still concerned that it will cause traffic issues but was happy to see a sidewalk installed.

Councilmember Maxwell said he appreciates the comments. He also stated that sales tax revenue has increased 5-10% each year. In order to have new businesses come to Universal City, the City has to be able to promote itself. He believes that \$100,000 budgeted for promotion and development of the City is money well spent.

13. MAYORAL COMMENTS:

Mayor Williams:

1. Said that he believes that completing the construction on FM1976 will help with reduce traffic on Kitty Hawk;
2. Asked everyone to mark their calendar for the Veteran's Parade on November 6th; and
3. Informed that Councilmember Najarian and Councilmember Maxwell will be representing Universal City at the Texas Municipal League Annual Conference.

14. ADJOURNMENT: Mayor Williams adjourned the meeting at 8:45 P.M.

ATTEST:

John Williams, Mayor

Kristin Mueller, City Clerk