

MINUTES
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
Regular Meeting, Tuesday, August 2, 2022

1. CALL TO ORDER: Mayor John Williams at 6:31 P.M.
2. QUORUM CHECK: Kristin Mueller, City Clerk

Present:

Mayor John Williams
Mayor Pro Tem Richard Neville
Councilmember Steven Buck
Councilmember Bear Goolsby
Councilmember Paul Najarian
Councilmember William Shelby
Councilmember Phil Vaughan

Present:

Kim Turner, City Manager
Megan Santee, City Attorney
Mateo Garcia, Finance Manager
Randy Luensmann, Public Works Director
Jessica Moore, Finance Director
Kristin Mueller, City Clerk/Economic Dev Director

Mayor Williams noted a quorum was present.

3. INVOCATION: Councilmember Goolsby 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 recognized Julie, Parker and Preston, grandchildren of Janet Tennis, for choosing to donate \$100 of their lemonade stand revenue to Parks Partners.

Mayor Williams introduced Joey Suarez, owner of A&A Plumbing, who presented Public Works Director Randy Luensmann with a \$6,000 check to paint 3 new pickleball courts and repaint the basketball court at the Universal City Park pavilion.

Mayor Williams introduced Lori Putt, with Parks Partners, who presented Randy Luensmann with a donation of \$41,360 to purchase shade canopies for the playgrounds at Red Horse Park.

7. CONSENT AGENDA:

Councilmember Vaughan requested to pull Resolution 939 from the consent agenda.

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

- a. Consider the minutes of the Wednesday, July 7, 2022 Budget Workshop and the Tuesday, July 19, 2022 Regular meeting.
- b. Consider Ordinance 149-M-31-9-2022: An Ordinance amending Ordinance 149 Fee Schedules (Water); amending Ordinance 149-M-31-2021 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-32-09-2022: An Ordinance amending Ordinance 149 Fee Schedules (Wastewater); amending Ordinance 149-M-32-09-2021; 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-2022: An Ordinance 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 Ordinance 361-AC-2022: An Ordinance amending Ordinance 361-A-2020 and reauthorizing the acceptance of credit cards for payment of fees, fines, court costs and other charges; providing for an increase in processing fee for credit card payments of fees, fines, court costs and other charges; providing for a service charge if payment by credit card is not honored; providing for severability, cumulative and savings clause; providing an effective date and amending the Code of Ordinances accordingly. (2nd Reading).
- f. Consider Ordinance 572-C-2022: An Ordinance repealing Chapter 1-3 Commissions, Boards, Committees and Authorities, Article XIV, Golf Course and Conference Committee and to amend the Universal City Code of Ordinances accordingly; and setting an effective date. (2nd Reading).

Councilmember Shelby seconded the motion.

Vote: Yeas: Neville, Shelby, Buck, Goolsby, Najarian, Vaughan
Nays: None

Motion to approve carried.

- g. Consider Resolution 939 authorizing the Universal City Economic Development Corporation's purchase of real property located at 302 Pat Booker Rd. (2nd Reading).

Councilmember Shelby moved to approve Resolution 939. Councilmember Buck seconded the motion.

Vote: Yeas: Shelby, Buck, Neville, Goolsby, Najarian
Nays: Vaughan

Motion to approve carried.

8. CITIZENS TO BE HEARD:

- Kim Igleheart, 736 Garden Meadow, said that perhaps there was data lacking at the presentation that the public received at the recent budget workshop. The powerpoint presentation included picharts that were accurate, but she noticed inconsistencies with the presentations made by one department after another. She said that the slides didn't list all the categories, making the expenses look less. She said that the difference was about \$8M. She said that Staff should be clear which categories are being omitted from the PowerPoint presentation. She also suggested that the PowerPoint presentation only include the big increases or upcoming special projects because it would be more informative and less monotonous. She suggested that the public be given a copy of the line item budget proposal so that they can follow along. Also, she expressed her disapproval of the Council meeting to discuss documents that were not shared with the public prior to or at the meeting. Lastly, she reminded that the State of Texas mandated counties to create a website that allowed residents to follow along with the tax rate

setting process for all taxing entities in one place. In Bexar County, that site is www.bexar-taxes.org and asked that the City use that site in addition to the City's website.

9. BUSINESS:

A. Consider the Memorandum of Understanding (MOU) with Reunion Development Partners, LLC.

Mrs. Turner stated that the EDC and City Council has directed Staff to move forward with their negotiations with Reunion Development Partners. The Memorandum of Understanding (MOU) is the first step to starting the negotiation process. She explained that the MOU is not legally binding but signals the willingness of the parties to move forward with a draft high-level timeline, negotiations, and a contract. The Universal City EDC will consider the MOU at its meeting scheduled for 11 August 2022. Also, it was announced that the Reunion Development Partners is scheduled to do the public concept presentation at the September 20, 2022 City Council meeting.

Councilmember Najarian moved to approve the Memorandum of Understanding with Reunion Development Partners, LLC. Councilmember Shelby seconded the motion.

VOTE: YEAS: Najarian, Shelby, Neville, Buck, Goolsby, Vaughan
NAYS: None
Motion to approve carried.

B. Discuss & Consider the Financial Audit Report for Fiscal Year 2020-2021.

Councilmember Shelby moved to approve the Financial Audit Report for Fiscal Year 2020-2021. Councilmember Vaughan seconded the motion.

Janet Pitman and Mike Del Toro, audit partners with ABIP, presented the Audit Report for Fiscal Year 2020-2021. Mr. Del Toro said that the audit presentation is a little later in the year due to the transition in the City's Finance Department. He explained the items included in the audit report and said that the purpose of the audit is to determine if the financial statements presented are in accordance with the Generally Accepted Accounting Principles (GAAP) and said the audit opinion is unmodified, which is the best opinion that can be given for an independent audit.

Councilmember Buck asked if the initial data that was presented to auditors at the beginning was in order. Mr. Del Toro answered not at the beginning, there were some discrepancies that had to be resolved.

Mr. Del Toro explained that since 2009 the excess money in the venue tax, after the debt service was satisfied, was not being transferred to the Golf Course Fund but should have been. That excess was rolled forward which resulted in the \$1.3M restatement, which increased the fund balance and moved it into the positive.

Mr. Del Toro continued his presentation to give an overview of the management discussion analysis and financial highlights. The material weaknesses identified were the segregation of duties related to cash and the bank reconciliations.

As for the Federal Single Audit that was required because the City received federal grant money, no findings or questioned costs were discovered. That audit received an unmodified opinion on compliance requirements.

Mr. Del Toro said that management worked well with the auditors to provide information and to correct the discrepancies and weaknesses identified throughout the audit process.

Councilmember Vaughan thanked Mrs. Pitman and Mr. Del Toro for making the changes he suggested. He said the General Fund increased its reserves from \$15.6M to \$17.7M. He said when the City is looking to adopt the budget officially, the Council should be taking reserves into consideration. He said that the City spent less in 2021 than it did in 2020. He suggested that the Venue Tax that should have been going to the Golf Course has been allocated correctly and has left the Golf Course with a positive net position. He said that no money from the General Fund this last year went the Golf Course.

Councilmember Vaughan asked Mrs. Turner why the Capital Outlay line in the Administration Budget was over budget. Mrs. Turner explained that JBSA purchased property in Universal City. When JBSA received funding for the property, they received enough to purchase the property and to do an asbestos survey, but not enough money to remove the asbestos and demolish the buildings so the buildings sat there for 3 years. The City entered into an agreement with JBSA that the City would be the project manager for the removal of the asbestos and the demolition, and then JBSA would reimburse the City for the expense of the project.

Councilmember Vaughan asked why the Payroll line in the Fire Department budget was over budget by \$174,000. Mrs. Turner explained that COVID-19 was one of the reasons for the abundance of overtime. If a firefighter was sick or one of their family members were sick, they were not allowed to be at the station so others had to be called in to fill their shift. In addition to COVID-19, the freeze back in February 201 was another reason for the excess overtime. There was a 12 day period that none of the firefighters went home so that could manage the emergency calls. The City did get reimbursed from FEMA for some of those hours, but those revenues were not received until 2022. Councilmember Vaughan asked if overtime will be similar in 2022 and Mrs. Turner answered that they hired one new firefighter this fiscal year and are budgeting to hire one new firefighter next fiscal year to serve as the sixth man on a crew each of the crews, lowering overtime.

Councilmember Vaughan asked if the City would like to provide feedback on what the City has done to address some of the concerns the auditors found. Mrs. Turner said staff roles and responsibilities have been reassigned to disperse the cash handling responsibilities among several employees. In addition, she said that with the change in Finance Director they have discovered that some of the data entry that should have been happening automatically on a consistent basis was not happening and that has been corrected. Lastly, she said that Incode did not have access controls to limit staff access to certain modules in Incode and that as been remedied as well. Lastly, she said the City is adding the Purchase Order module to Incode and is bringing in a 3rd party that is very familiar with Incode to help clean up old files and Incode entries and to set up the modules properly.

Councilmember Shelby asked why the excess money that should have been transferred to the Golf Course in prior years was not caught before now. Mrs. Pitman answered that the funds were kept in the Debt Service Fund to pay off the bonds and may have been holding it to be sure they had enough to pay off the debt. At this point, there is only one year of debt service. Councilmember Shelby asked why it became a big deal this year. Mrs. Pitman said that

Councilmember Vaughan began questioning why there was a negative fund balance at the Golf Course and after doing a lot of research, they found that the excess funds since 2009 were being held in the Debt Service fund. Councilmember Shelby said that this is the first year that he was aware of any deficiencies or at least the first time that they were presented to Council. Mr. Del Toro said that the majority of them were because of the transition of Finance Directors mid-year and the change over in that department throughout the year.

Councilmember Goolsby thanked Councilmember Vaughan for spending the time to review the audit and said that he did a great job.

Councilmember Najarian asked Mr. Del Toro to elaborate on the court fine discrepancies. Mr. Del Toro said that the City was collecting and documenting those fees correctly, but were not paying them to the state correctly. Councilmember Najarian asked if that has since been corrected and Mr. Del Toro answered that it has been corrected.

Mayor Pro Tem Neville said that the citizens should be proud that this audit is an unmodified report. It is the best report you can get and the City has been getting them for years.

Councilmember Buck thanked the auditors for their hard work. He asked them if they identified any malfeasance within the City or anyone that was acting willfully improper. Mr. Del Toro said that through their sampling and review, they did not see anything. He also asked Mrs. Pitman if that by reviewing the audit with Councilmember Vaughan if she believed that they presented a better report and Mrs. Pitman answered yes. Councilmember Buck thanked Councilmember Vaughan for his hard work to review the audit on behalf of the residents.

Councilmember Shelby moved to approve the Financial Audit Report for Fiscal Year 2020-2021. Councilmember Vaughan seconded the motion.

VOTE: YEAS: Shelby, Vaughan, Neville, Goolsby, Buck, Najarian
NAYS: None

Motion to approve carried.

Mayor Williams thanked Councilmember Vaughan for his thorough review and hard work.

Mrs. Pitman thanked Staff and Councilmember Vaughan for their review and assistance throughout the audit process.

C. Discuss & Consider the Financial Report for FY2022 Third Quarter (April-June, 2022).

Finance Manager Mateo Garcia presented the Financial Report for FY2022 Third Quarter (April-June 2022).

Councilmember Vaughan asked if we are tracking under budget because the percentage of budget at this time should be closer to 75% but instead is closer to 55%. Finance Director Jessica Moore said that there are still several big expenses and she anticipates being closer to budgeted number. Also, Councilmember Vaughan asked if the Council thought that what was provided was sufficient enough or if there should be more provided or a committee created to review more detailed finances.

Mayor Williams said that in the past they had overly detailed reports in the past so Council asked Staff to refine the report to present a higher level and easier to understand report.

Councilmember Shelby said that what they have now is substantially better than what they used to get but he won't say no to Councilmember Vaughan reviewing the details. He suggested that Staff provide a list of any big or odd experiences.

Councilmember Goolsby said he liked the current report and said that as long as Councilmember Vaughan can get what he asks for, then what they get now is okay.

Mrs. Moore presented the Third Quarter Investment Report.

Councilmember Shelby asked if the City has been pleased with the transition to TexStar. Mrs. Turner answered that they were very pleased as the available documentation is better and the interest earned for all accounts have increased.

Councilmember Najarian said that TexStar is local and a great supporter of Universal City events.

Mayor Pro Tem Neville moved to approve the Financial Report FY2022 Third Quarter (April-June 2022). Councilmember Shelby seconded the motion.

VOTE: YEAS: Neville, Shelby, Buck, Goolsby, Najarian, Vaughan
NAYS: None

Motion to approve carried.

10. CITY MANAGER COMMENTS:

Mrs. Turner invited everyone to attend the Roaring 20s Happy Hour, the Neon Nights Golf Tournament, and the Casino Night, all hosted at Olympia Hills Golf Course this month. She also mentioned that the library staff is working to fill up the library event calendar. She said that Pumpkin Patch preparation has already begun. Lastly, she said that due to the delay in the City receiving the Certified Tax Roll from the County, the August 9th Special Meeting that was scheduled is cancelled. The tax rate presentation and the budget presentation will be on August 16th.

12. COUNCILMEMBER COMMENTS:

Councilmember Goolsby said great job on the audit and financial report tonight. Also, he gave kudos to Julie, Parker, and Preston for their donation.

Councilmember Buck said Movies in the Park has been a huge success and gave thanks to Community Relations Specialists Regina Carmona. He encouraged residents to get individual library cards, not sharing one among all family members. He also thanked Julie, Parker, and Preston, A&A Plumbing, and Parks Partners for their donations to the City. Lastly, he said that on August 18, 1962, First Methodist Church broke ground on the first church in Universal City. He gave the history of the land that is now known as Northlake Business Park, mentioning that it was donated to the City in August 1998.

Mayor Pro Tem Neville reminded Council of its interactions with Wal-Mart and Marriot and how closed door meetings are sometimes necessary when discussing development.

Councilmember Najarian said that the murder mystery event at Olympia Hills Golf Course and Movies in the Park were very successful events and thanked Mrs. Carmona for her work. He also thanked Team Spicy Ketchup, the robotics team from Judson, who work the concession stand at every Movies in the Park. Finally, he invited everyone to attend the rescheduled Casino Night on August 20th, benefitting the Citizens Police Academy Alumni Association.

Councilmember Vaughan distributed one of his spreadsheets and suggested that now is the perfect time to return sales tax back to the property taxpayers. He asked for a consensus to add an item on a future agenda to consider an ordinance that would call an election to convert the venue tax to a street maintenance tax. If that conversion took place, it would not take place until April 2023, giving the golf course another six months of sales tax revenue. Consensus to discuss was granted.

Councilmember Shelby thanked everyone and said he would be sneaking out quickly after the meeting so that he could attend his daughter's first promotion in the Civil Air Patrol.

13. MAYORAL COMMENTS:

Mayor Williams shared that he attended the Change of Command of the 12th Flying Training Wing. Col. Rowe is going to the Pentagon and is being replaced by Col. Taylor. Col. Taylor's wife is a native of Universal City. He also said that he will be attending the Change of Command ceremony for the 19th Air Force on the 19th of August. Mayor Williams also joked that Councilmember Buck died well at the Olympia Hills murder mystery event. Lastly, he shared that Pat Booker Rd got its name from Captain Pat Booker, Captain in the Army Air Corps. Capt. Booker worked with Captain William Randolph and he died in 1936 in a aircraft crash. The Air Corps petitioned the Texas Department of Transportation to name FM-218 "Pat Booker Rd" that year and the petition was granted.

14. ADJOURNMENT: Mayor Williams adjourned the meeting at 8:13 P.M.

ATTEST: _____
John Williams, Mayor

Kristin Mueller, City Clerk