

**Village of Salado
Salado Municipal Building
301 North Stagecoach Road
Salado, Texas
Minutes of Regular Meeting of Board of Aldermen
March 21, 2019 at 6:30 p.m.**

The Board of Aldermen meeting was called to order at 6:30 p.m. by Mayor Skip Blancett.

Mayor Blancett gave the Invocation and the two special guests, Abby and Emma Blancett, led the Pledge of Allegiance to the United States and Texas flags.

Board Members Present: Mayor Skip Blancett, Mayor Pro-tem Frank Coachman, Aldermen Andy Jackson, Michael Coggin, and Michael McDougal.

Salado High School Representative Present: Grace Barker

Staff Present: Village Administrator Don Ferguson and City Secretary Cara McPartland

Special Recognition of Salado Police Officer Christopher Dunshie and Texas Highway Patrol Trooper Daniel Michaels

Mayor Blancett introduced State Representative Brad Buckley who said it is an honor to represent House District 54 and to be here tonight to help recognize our first responders.

Mayor Blancett stated that he and Mayor Pro-tem Coachman will be presenting proclamations to Officer Dunshie and Trooper Michael. Village Administrator Ferguson detailed the life-saving actions undertaken by Officer Dunshie and Trooper Michael on the night of February 21, 2019.

Mayor Pro-tem Coachman read the proclamation and presented it to Trooper Michael. Mayor Blancett read the proclamation and presented it to Officer Dunshie. Photos were taken with the proclamation recipients and with their friends and family members.

State Representative Buckley presented Officer Dunshie and Trooper Michael with flags flown over the Texas State Capitol. Belton Police Department Deputy Chief of Operations Larry Berg spoke of the heroism displayed by Officer Dunshie and Trooper Michael and commended their actions.

Citizens Communications

No citizen comments were heard.

1. Consent Agenda

- A. Approval of minutes of the Regular Board of Aldermen meeting of March 7, 2019.
- B. Approval of the February 2019 Financial Statements for the Village of Salado.

Alderman McDougal moved to approve Consent Agenda Item 1A, as presented. Alderman Jackson seconded. Motion carried on a vote of 4-0. Alderman Coggin moved to approve Consent Agenda Item 1B, as presented. Alderman Jackson seconded. Motion carried on a vote of 4-0.

2. Village Administrator's Status Report

- Wastewater Project Update

Village Administrator Ferguson reported construction on the collection system and treatment plant is completed. He said the target date for system start-up is April 2, 2019. He advised the contracted operators of the system were on-site this week and very comfortable with the facilities. He stated the third informational meeting for initial customers was held on Monday, March 18th and the training for those installing grinder pumps was held earlier today. Impact fee data continues to be shared and questions from customers are being answered as the connection process progresses.

- Sales Tax Collections

Village Administrator Ferguson reported receipt of the March 2019 sales tax check, representing January 2019 collections, in the amount of \$35,747, up fifteen (15) percent from the same period last year, and the largest March check in the Village's history. He noted fiscal year-to-date collections are up almost eleven percent from the same period last year, and are running well ahead of budget.

- Mixed Beverage Tax Collections

Village Administrator Ferguson reported that the fourth quarter 2018 Mixed Beverage Tax check, representing October-December 2018 sales, totaled about \$6,700, which was ninety-one (91) percent higher than the same period last year. He noted fiscal year-to-date collections are up about twenty (20) percent from the same period last year and running well ahead of budget.

- Comprehensive Plan Update

Village Administrator Ferguson reported that the Planning and Zoning Commission held a public hearing on Tuesday, March 12, 2019 and the Commission is anticipated to make a recommendation at its meeting on Tuesday, March 26, 2019, with the Board of Aldermen to take final action at its meeting on April 4 2019. If the updated Plan is adopted, staff will develop an action plan to implement any amendments that were approved.

- May 2019 Election Update

Village Administrator Ferguson reported four candidates will appear on the ballot, which has been approved for production. He highlighted voting/early voting location, dates, and times, as well as changes in voting equipment.

3. Presentation

Presentation by Troy Kelley regarding the proposed development of the Texas Hall of Fame in Salado, Texas. (*Troy Kelley*)

Troy Kelley thanked the Board, his wife Vickie Kelley, and Jackie Mills and provided background on the founding of the Texas Hall of Fame as a non-profit organization to honor Texans for their contributions. He presented information on creation of a founding council, to be followed by formation of a Board of Directors; funding through contributions/endowments; building and grounds design/materials; virtual reality exhibits; and motto. Discussion addressed possible locations, projected costs, future decisions on memberships, types of recognition to be awarded, and emphasis on historical significance of the Hall of Fame as a repository for Texas history.

Cathy Sands said the Salado Cultural Arts District (SCAD) is proud to be behind Mr. Kelley's fabulous effort and will work in any way possible to support this project. She spoke of SCAD's Board consisting of representatives of Keep Salado Beautiful, Salado Historical Society, local artists, and the Public Art League.

Mayor Blancett thanked Mr. Kelley for his commitment to this project.

4. Public Hearing and Possible Action

- A. Hold a public hearing and consider approval of an ordinance of the Village of Salado, Texas, approving an application for a conditional use permit for a golf course on property zoned Single-Family Residential (SF-7), located at 1610 Club Circle, more specifically known as the Mill Creek Golf Club, in Salado, Bell County, Texas; and providing for the following; severability; effective date and proper notice and meeting. (*Village Administrator*)

Village Administrator Ferguson reviewed the subject property's current/proposed zoning and uses and explained a conditional use permit (CUP) is required for operation as a golf course in the SF-7 zoning district. As records show no CUP was granted, the owners have submitted an application for a CUP to bring the property into compliance. Village Administrator Ferguson explained the purpose of a CUP, which is a zoning action that remains with the property, even if it is sold, with only the property or the Village able to remove a CUP. He noted that without the CUP designation, the golf course can continue to operate as a pre-existing, non-conforming use, however, any future modification of the operation would require the subject property to comply with the Village Zoning Ordinance. He advised that granting the requested CUP will not impact the property owner's ability to construct single-family homes at some point in the future, as the base zoning remains SF-7. Notice of the CUP request was published in the Salado Village Voice and property owners within two-hundred feet of the subject property were notified. He noted that a significant majority of responses received to date are in favor of the requested CUP. The Planning and Zoning Commission unanimously recommended approval at its meeting earlier this week.

Discussion addressed the purpose of a CUP and the Board's ability to attach conditions it deems appropriate. It was noted that no additional conditions are recommended by staff or by the Planning and Zoning Commission.

Mayor Blancett opened the public hearing and announced the first call for speakers at 7:19 p.m.

After a second and third call for speakers, no comments were heard.

Mayor Blancett closed the public hearing at 7:20 p.m.

Alderman McDougal moved to approve an ordinance of the Village of Salado, Texas, approving an application for a conditional use permit for a golf course on property zoned Single-Family Residential (SF-7), located at 1610 Club Circle, as presented. Mayor Pro-tem Coachman seconded. Motion carried on a vote of 4-0.

- B. Hold a public hearing and consider approval of amendments to the Village of Salado Comprehensive Plan. (*Village Administrator*)

As the Planning and Zoning Commission has delayed action on its recommendation, Village Administrator Ferguson asked the Board to continue this item until the Board's April 4th meeting.

Mayor Pro-tem Coachman moved to approve continuance of this item until the Board's meeting on April 4, 2019. Alderman Jackson seconded. Motion carried on a vote of 4-0.

5. Ordinance

Consider approval of the first reading of an ordinance of the Village of Salado, Texas, establishing rates for wastewater service to be charged in the Village of Salado; amending Ordinance No. 2015.12 establishing policies for operating a Village-owned wastewater treatment plant and collection system; including establishing wastewater service rates, connection fees, deposit fees, interest penalties, reconnection charges, transfer fees, and returned check fees; adopting general policies and procedures including application, implementation, billing and collections of established fees; providing for severability; repealing conflicting ordinances and providing for findings of fact, an effective date, and proper notice and meeting. (*Village Administrator*)

Village Administrator Ferguson provided background on development of service rates/impact fees. Details were provided on three customer rate classes (Residential, Non-Residential-Low Impact, and Non-Residential High-Impact); determination of low- versus high-impact based on composition of customer's wastewater; breakdown of base monthly service fees; volumetric portion of bill based on water use; winter month averaging; and annual recalculations. He highlighted other key ordinance provisions, including those relating to billing/collections and calculation of impact fees based on LUEs for customers who are not serviced by Salado Water Supply Corporation. He stressed that the Village will not place water meters on private wells. He noted provisions are also included for dealing with leaks, unusual water usage, and billing/payment procedures.

Discussion among Village Administrator Ferguson and the Board addressed specifications of as-built drawings (referenced in ordinance on Page 7); \$30 application fee (referenced in ordinance on Page 8) applicable to customers outside of the initial customer base; standard \$100 Security Deposit (Page 8); \$750 Reservation Fee to reserve capacity (and deduction of said fee when service application is made, to be applied toward impact fee); credit card fees; lack of time limit on length of reservation; and transferability of reservation.

Mayor Blancett gave the audience the opportunity to ask Village Administrator Ferguson questions at this time. Questions posed and subsequent discussion addressed ability of commercial customers to have separate meters to measure water used for irrigation versus other uses (as opposed to having a combined bill); expense of adding meter(s); and alternative of having an in-line meter installed at the point where water enters the irrigation system. This monitoring would result in monthly meter readings and an annual report showing the total amount of irrigation water used, which can be subtracted from the total water usage data. Village Administrator Ferguson pointed out that BOD requirements for wastewater must be met for all customers, including those who were formerly exempted. Responses to further questions included possible future wastewater customers and associated costs of extending service to other areas, such as along Royal Street; ongoing talks with potential large users, specifically Brookshire Brothers; and provision of service/impact fee agreements on the Village's website by March 22, 2019.

Mayor Blancett advised the second and final reading of this ordinance will be held next week.

Mayor Pro-tem Coachman moved to approve first reading of the ordinance establishing rates for wastewater service to be charged in the Village of Salado; amending Ordinance No. 2015.12 establishing policies for operating a Village-owned wastewater treatment plant and collection system; including establishing wastewater service rates, connection fees, deposit fees, interest penalties, reconnection charges, transfer fees, and returned check fees; adopting general policies and procedures including application, implementation, billing and collections of established fees. Alderman McDougal seconded. Alderman Coggin inquired about the dispute resolution process. Village Administrator Ferguson stated the bill will be calculated on water use, customers can present documentation of issues such as water leaks, and the Village will work with the customer.

Motion carried on a vote of 4-0.

6. Discussion and Possible Action

- A. Discuss and consider possible action regarding a proposed Concept Plan for an approximately 72.74-acre, two-phase, residential subdivision to be located in the 700 block of FM 2268 in the E-T-J of the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson reviewed the Concept Plan, which includes the phased development of 70 single-family residential lots to be served by Salado Water Supply Corporation and private septic systems. He noted that Phase One will consist of 53 lots with an average lot size of 27,660 square feet, while Phase Two will consist of 17 lots with an average lot size of 29,098 square feet. He advised there will be 3 access points located on the IH-35 frontage road,

FM 2268, and Guess Drive. He noted that the proposed subdivision is in the Village's E-T-J and the applicant has indicated a desire to annex into the Village if and/or when centralized wastewater service becomes available to the subdivision. He stated the Village Engineer has found the Concept Plan to be in compliance with the Village's Subdivision Ordinance and the Planning and Zoning Commission voted unanimously to recommend approval at its March 12th meeting. It was noted that the applicant would include a note to dedicate park land should the subdivision be annexed at some point in the future.

Applicant's representative Justin Fuller of Clark & Fuller Engineering spoke on development phasing and discussions with Sanctuary developers. He said lot sizes would be re-examined if sewer service becomes available. Village Administrator Ferguson noted that any lot size changes would require the applicant to submit an amendment to the Concept Plan for the Board's consideration. Discussion addressed possible timeframe for start of construction (development is currently in the design phase), anticipated amount of time to complete construction, and discussions among the developer with Sanctuary and airport owners regarding possible future respective septic/access issues.

Alderman Coggin moved to approve the Concept Plan, as presented. Alderman Jackson seconded. Motion carried on a vote of 4-0.

- B. Discuss and consider possible action regarding a proposed policy relating to the wastewater system connection requirement for customers who have recently acquired a new septic system. (*Village Administrator*)

Village Administrator Ferguson requested Board direction on this item which seeks to address property owners who have recently installed septic systems and allow a deferral period to connect to the wastewater system in order to help the owner recoup some of the investment made in installing a private septic system. He stressed that owners would still be required to connect to the system at the end of the deferral period. Discussion addressed the estimated number of affected property owners, which is likely quite small based on Bell County septic records; need for the owner to pay a reservation fee for future capacity; determining length of the deferral period; and requiring connection if private septic system fails during deferral period. Alderman Coggin expressed concerns regarding administration being cumbersome and a burden on staff and felt that a prudent owner should have known the sewer system was coming. He questioned why the Village should extend that kind of support to individual owners because they have a new system, as the Village is trying to apply policies across the board.

Mayor Pro-tem Coachman moved to add language to the draft ordinance that would allow customers to keep an existing system and defer connection until its 8th year of existence, require the owner to connect to the system should the private system fail during the deferral period, and pay a \$750 reservation fee. Alderman Jackson seconded.

Discussion addressed issues of favoritism, case-by-case review in application of policy for initial customers only, allowing property owners who faced limited or no choices to recoup recent investments in private septic systems, and small number of affected owners. Village Administrator

Ferguson stressed that owners would only be allowed to defer connection, but would not be exempt from connection and would still be required to pay impact fees upon connection.

Motion carried on a vote of 3-1. Alderman Coggin voted against.

- C. Discuss and consider possible action regarding the appointment of members to the recently created minimum lot size task force. (*Village Administrator*)

Village Administrator Ferguson reviewed previous direction from the Board's March 7th workshop meeting on the need to appoint a 5 to 7 member task force to review and possibly modify minimum lot size requirements, given the imminent start-up of the Village's new wastewater system. He asked the Board to consider the number and composition of members.

Alderman McDougal moved to appoint a 7-member task force. Mayor Pro-tem Coachman seconded.

Discussion established that this task force would be a temporary committee, addressed selection methods, and need for review and development of guidelines to maintain Salado's character. Village Administrator Ferguson asked that names be submitted for nomination. Discussion favored the submission of two at-large nominees by each Board member to be considered at the Board's April 4, 2019 meeting. Village Administrator Ferguson asked that submissions be made by Thursday, March 28, 2019.

Motion carried on a vote of 4-0.

- D. Discuss and consider possible action approving a contract amendment with Kasberg, Patrick & Associates LP for design services relating to the extension of wastewater service on Royal Street. (*Village Administrator*)

Village Administrator Ferguson recommended approval of the contract amendment reflecting design costs for extending a 1,600 foot sewer line to a new subdivision at Royal Street and Smith Branch Road. He advised the contract amendment cost of \$9,800 is to be reimbursed by the subdivision developer. Discussion addressed sizing of line and location of the line in the right-of-way.

Mayor Pro-tem Coachman moved to approve the contract amendment with Kasberg, Patrick & Associates LP for design services relating to the extension of wastewater service on Royal Street. Alderman Coggin seconded. Motion carried on a vote of 4-0.

7. Workshop

- A. Discuss and consider issues relating to solid waste and recycling collection services within the Village of Salado. (*Village Administrator*)

After the ten-minute recess following Agenda Item 6F, Mayor Blancett reconvened the meeting at 8:35 p.m.

Village Administrator Ferguson explained that currently three companies are providing service that involves three sets of trucks throughout the Village creating wear and tear on streets. He asked for the Board's thoughts on going out for bids for a single vendor, which would reduce the number of trucks. He said competition would be maintained through the bid process. He stated that a single vendor contract would allow for better control over services and incentives provided. He noted that about \$18,000 is generated annually from franchise fees paid by the current solid waste providers.

Discussion addressed support for maintaining the current solid waste options; documenting wear and tear on streets; high level of satisfaction with service and fees from providers; bid process and possibility of cost savings and obtaining best level of service; fears that having a sole contractor would compromise service; focus on issue of volume of truck traffic on streets, rather than satisfaction with service in general; possible cost savings to single provider that could be passed on to customers; single source contract provisions based on performance; and gauging impact of truck traffic on street conditions and associated repair costs. Village Administrator Ferguson stressed the purpose of this item is not to advocate, but to simply discuss and gather Board input on this issue. Mayor Blancett requested this item be placed on the Board's next workshop meeting agenda.

- B. Discuss and consider issues relating to the development of a rebate program for initial customers on the new Salado Wastewater System. (*Village Administrator*)

Village Administrator Ferguson advised that a proposal for initial customers will be presented to the Board at its April 4, 2019 meeting. Discussion addressed rebate application to initial customers who connect to the system within 90 days, uniform rebate amount, comparison to other cities' programs, and tying rebate to an incentive program.

- C. Discuss and consider issues relating to the process used to appoint members to advisory boards for the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson stated this item is prompted by the need to appoint three members to the Planning and Zoning Commission. He asked for Board input on the selection process, such as choosing from submitted applications or conducting public interviews for open positions. Discussion addressed other options, including having each Board member responsible for making nomination(s); general support for the public interview process; issuing a public call for interested applicants; and importance of transparency. Mayor Blancett recommended the interview process and engaging the public in order to make good decisions.

- D. Discuss and consider issues relating to the Village of Salado park land dedication ordinance for new developments. (*Village Administrator*)

Village Administrator Ferguson said this issue was discussed by the Comprehensive Plan Update Committee and noted the Village's current ordinance that requires a minimum of 5 acres of parkland be dedicated or payment in lieu of such dedication. He spoke of possible modifications to the ordinance that might encourage dedication and discourage payment. He stated certain

modifications that may accomplish more recreation space through staging of parkland dedication, pocket/linear parks, trail systems, and amount of dedication fee. He said there is a need to recognize the impact of developments in the Village's E-T-J, although the Village's parkland dedication ordinance only applies within city limits. He asked for input on minimum acreage for parkland dedication and staging the size of the dedicated parkland to be conditioned upon the size of the development. Discussion favored the idea of staging the parkland acreage depending on overall size of the development. Other discussion topics included eliminating the pay-out in lieu of parkland provision and mandating park/trail development; public versus private (for use of subdivision only) parks, deposit of parkland dedication payments into a separate fund to be used for community park needs; application of parkland dedication requirements in the Village's E-T-J, and imposing a higher fee for payment in lieu of parkland dedication.

Addendum to Agenda

6. Discussion and Possible Action

- E. Discuss and consider possible action establishing bank accounts relating to the operation of the new Salado Wastewater System. (*Village Administrator*)

Village Administrator Ferguson recommended approval of creation of required accounts related to the new wastewater system operation.

Alderman McDougal moved to approve establishing bank accounts relating to the operation of the new Salado Wastewater System. Mayor Pro-tem Coachman seconded. Motion carried on a vote of 4-0.

- F. Discuss and consider possible action regarding a proposed agreement with the Salado Water Supply Corporation relating to delinquent Village of Salado Wastewater System customers. (*Village Administrator*)

Village Administrator Ferguson stated that Salado Water Supply Corporation (SWSC) administration has indicated it does not feel termination of water service to those delinquent in paying wastewater bills will garner support from its board. He emphasized that any termination of service would be an absolute last resort and recommended not taking action on this item until the SWSC board meets next month. He also noted that civil remedies are included in the penalty clause of the Village's ordinance for non-payment.

Mayor Pro-tem Coachman moved to postpone action this item until the Board receives a response from SWSC. Alderman McDougal seconded. Motion carried on a vote of 4-0.

Mayor Blancett called a ten-minute recess at this time (8:25 p.m.).

Adjournment

Alderman McDougal moved to adjourn. Mayor Pro-tem Coachman seconded. Mayor Blancett called the meeting adjourned at 9:15 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 4th of April, 2019.

APPROVED:


Skip Blawett, Mayor

ATTEST:


Cara McPartland, City Secretary

