

**Village of Salado  
Salado Municipal Building  
301 North Stagecoach Road  
Salado, Texas  
Minutes of Regular Meeting of Board of Aldermen  
April 2, 2020 at 6:30 p.m.**

The Board of Aldermen meeting was called to order at 6:43 p.m. by Mayor Skip Blancett.

Mayor Blancett gave the invocation and the Board of Aldermen led the Pledge of Allegiance to the United States and Texas flags.

Board Members Present: Mayor Skip Blancett, Mayor Pro-tem Frank Coachman, Aldermen Amber Preston Dankert, John Cole, and Michael Coggin. Alderman Rodney Bell was absent. *(The meeting was held via videoconference, with Mayor Blancett attending in person at the Municipal Building.)*

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

### **1. Citizens Communications**

Jim Hays of 927 N. Ridge, also speaking on behalf of Darrell Street, expressed concerns regarding a low water crossing on Chaparral Drive that clogs with debris and tree limbs after a rain event. Although Mr. Hays stated that he has been cleaning out the debris on his own time and at his own expense, he asked that the Village help with disposal of the debris. He displayed photos of the culvert with and without the debris.

### **2. Consent Agenda**

- A. Approval of minutes of the Regular Board of Aldermen meeting of March 19, 2020.
- B. Approval of minutes of the Special Board of Aldermen meeting of March 23, 2020.
- C. Approval of minutes of the Emergency Board of Aldermen meeting of March 26, 2020.

Mayor Pro-tem Coachman moved to approve the Consent Agenda, as presented. Alderman Dankert seconded. Motion carried on a vote of 4-0.

### **3. Village Administrator's Report**

- Wastewater Project Update

Village Administrator Ferguson reported connection activity has slowed, as many plumbers are limiting their work to emergencies right now due to the COVID-19 pandemic. He advised new wastewater bills were mailed out this week, with recalculations resulting in only minor adjustments. He reported staff will be meeting with TxDOT contractors regarding sewer clean-outs located in the paths of sidewalk construction.

- Main Street Improvement Project

Village Administrator Ferguson reported significant progress in curb/gutter and sidewalk construction. He noted the contractor is re-working the bridge railing to conform with design specifications. He reported installation of street light service poles/bases is underway. The target date for project completion is early summer.

- Village of Salado Sales Tax Collections

Village Administrator Ferguson reported a significant decrease in sales tax revenue is anticipated in the next few months, with more detailed discussion later in this meeting (*see Agenda Item 5B*).

- Coronavirus (COVID-19) Update

Village Administrator Ferguson provided the latest Bell County information, including number of cases to date, number of recoveries/deaths/hospitalizations, and surge planning, as cases are expected to peak in late April and early May. He reported that hospital bed capacity and ventilator supplies are considered adequate at this time, but cautioned that as statewide cases rise, people may be moved from county to county, if needed. He advised that Bell County Commissioners Court Judge Blackburn will be holding another news conference tomorrow and confirmed the shelter in place order will be extended through April 30, 2020. He noted that food supplies are holding up and Salado and Bell County residents are doing a very good job of social distancing. He reported on conference calls yesterday addressing availability and types of small business assistance programs that are being offered. He stressed the importance of documentation when applying for assistance.

- 2020 Salado General Election Preparations

Village Administrator Ferguson reported the Village is proceeding with the May 2<sup>nd</sup> election per the Board's previous direction, including ballots by mail, publication of election notices, and election staffing. He noted the Texas Secretary of State (SOS) sent another advisory late this afternoon strongly encouraging communities to move elections to November. He said the City of Waco voted yesterday to move its election to November, but is submitting a request to the governor asking about the possibility of moving its election to July.

In addition, Village Administrator Ferguson addressed questions regarding activity at the golf course. He said the governor's executive orders do not prohibit golfing, but stress the need to practice proper social distancing. In response to Alderman Coggin, Village Administrator Ferguson replied that the Village's public works contractor is scheduled to address the low water crossing debris referenced in citizen comments earlier in the meeting.

#### 4. Ordinance

Consider approval of an ordinance authorizing and ordering the issuance of Village of Salado, Texas, Permanent Improvement Refunding Bonds; establishing parameters with respect to the sale of the bonds and authorizing the Pricing Officer to approve the amount, interest rates,

price and terms thereof; and enacting other provisions incident and related thereto. (*Village Administrator*)

Village Administrator Ferguson explained that favorable interest rate conditions have created the opportunity for the Village to refund existing debt and effect a net savings to taxpayers by lowering annual debt service payments. As rates change on a daily basis, he said it is typical to adopt a “parameters” ordinance which sets up the standards that must exist to move forward with refunding, as staff works with the Village’s financial advisor and bond counsel, who have both agreed to decrease their professional service fees.

Financial Advisor Chris Lane spoke on the daily market changes and anticipated a rate of 2 percent or lower, which combined with the lowered fees, should result in savings of approximately \$700,000. She hoped the bank bids will come in lower than 2 percent and advised banks need 10 full business days for the bidding process.

Bond Counsel Jerry Kyle highlighted key provisions of the proposed “parameters” ordinance, which names and authorizes a pricing officer to finalize the terms of sale in accordance with the parameters set in the ordinance. He reviewed certain recitals and definitions, including specific “not to exceed” principal amounts, delegation of authority, and the exhibit listing sale parameters. He explained post-purchase procedures, including filing of documentation with the Texas Attorney General, and bond refunding.

Discussion included explanation of fees charged; existing contracted professional service fees; authorization to execute purchase letter with winning bidder; authorization to execute documents relating to transactions approved by the Board; and reduction of professional service fees. As some exact fee amounts will not be known before bidding, Ms. Lane stated fixed fee amounts and projected fees total approximately \$109,000. She stressed that the anticipated \$700,000 net savings is after fees, which are only paid after the transaction closes. Discussion established that adoption of the “parameters” ordinance is to address concerns relating to market volatility to ensure that the best interest rate is obtained, resulting in maximum savings.

Mayor Pro-tem Coachman moved to approve the ordinance authorizing and ordering the issuance of Village of Salado, Texas, Permanent Improvement Refunding Bonds; establishing parameters as listed in Exhibit “B,” as presented. Alderman Coggin seconded. Motion carried on a vote of 4-0.

## **5. Discussion and Possible Action**

- A. Discuss and consider possible action regarding a request for a variance from the Village of Salado’s fire sprinkler requirement for two (2) retail businesses located at 21 N. Main Street, Salado, Bell County, Texas. (*Village Administrator*)

Village Administrator Ferguson advised that the applicant has withdrawn his variance request, with no action required.

B. Discuss and consider possible action relating to the fiscal impact of the Coronavirus (COVID-19) pandemic on the Village of Salado. (*Village Administrator*)

Village Administrator Ferguson provided a breakdown of the Village's revenues by percentages, including sales tax, property tax, franchise fees, and license/service/court fees. He said that sales tax will be the most affected category, with the COVID-19 crisis predicted by public health officials to last possibly through July. He said until shelter in place orders are lifted, many businesses will remain closed or will have limited operations. He projected an approximately 86 percent decline in sales tax revenue or a potential loss of \$192,000 during the March-July time period. He noted that there will be a negative impact on franchise fee revenue, as there will be customers unable to pay their utility bills. He said licenses, services, and municipal court fees will slow down due to shelter in place orders and lack of income. He stated initial projections anticipate a \$240,000 to \$250,000 shortfall in revenues. He advised of immediate actions to freeze all capital expenditures (unless project is critical), freeze on hiring of new employees and non-essential expenses, including all travel, and trimming all items as much as possible. He spoke of reduction of overtime expenses, across the board expenditure cuts, monthly/quarterly payments versus one-time payments, and possible use of undesignated funds in fund balance. He noted that the Village has a healthy fund balance, but cautioned this is a prolonged emergency that may eventually impact the level of services provided, and possibly result in reductions in hours/pay, outsourcing, or furloughs. He cited monthly operating costs of about \$79,000 for all departments.

Village Administrator Ferguson reported that the wastewater budget comes close to breaking even on operating costs and said as more customers are connected there would be a surplus. He anticipated subsidization may continue for a couple of months longer than expected. He advised the Hotel Occupancy Tax (HOT) budget is significantly impacted by reduction in room tax revenues, which go into a special revenue fund to be used for tourism purposes. As Chadley Hollas recently resigned as tourism director, there are no plans to hire a replacement at this point. He advised that current contracted marketing programs remain in place for the time being. He spoke of budget preparations for the next fiscal year and associated challenges due to uncertainty about the length of the COVID-19 pandemic, and recent legislative changes relating to tax revenue caps.

Alderman Cole asked how trimming the budget would address the revenue shortfall. Village Administrator Ferguson stated implementing budget cuts would make up for possibly two-thirds to three-fourths of the lost revenue. He said his goal is to try to minimize using fund balance as much as possible. Alderman Cole asked about State aid and Village Administrator Ferguson replied that there should be some money available to cities such as grants or loans in the coming months. He said there may be a federal infrastructure improvement package that will trickle down to state and local governments to help promote employment.

Mayor Blancett spoke on filling versus outsourcing the recently vacated public works position; importance of continued funding of volunteer fire department/police department services; continuation of the Tourism Advisory Board in the absence of a tourism director; relief efforts at state/federal levels; importance of maintaining an adequate fund balance; and remaining positive and being supportive of Salado businesses, as Salado has always done during challenging times.

- C. Discuss and consider possible action appointing City Secretary Cara McPartland as the Early Voting Clerk for the Village of Salado General Election on May 2, 2020. (*Village Administrator*)

Village Administrator Ferguson explained that the Village needs to designate its own early voting clerk, as Salado ISD voted to postpone its election until November.

Discussion addressed the effect of a strongly worded advisory received from the Texas Secretary of State (SOS) this afternoon on the May election regarding the need for immediate action to move the election to November due concerns related to public health risks and exposure to election contests. He noted the last direction from the Board was to reconsider postponing the election at its April 16<sup>th</sup> meeting, but advised the Board has the ability to meet before then, if it so desires. The Board favored scheduling a publicly-accessible meeting to reconsider postponement sooner than April 16<sup>th</sup> based on the SOS advisory in the interest of public safety. Village Administrator Ferguson reminded that until the Board has voted to delay the election, there is a need to appoint an early voting clerk for the May election.

Alderman Cole moved to approve appointing City Secretary Cara McPartland as the Early Voting Clerk for the Village of Salado General Election on May 2, 2020, as presented. Alderman Coggin seconded. Alderman Dankert questioned the necessity for action on this item and the following agenda item, if staff will be scheduling another meeting on postponing the election. Village Administrator Ferguson replied that action is still needed, as the Board has not moved the election yet, and there is a procedural requirement to designate an early voting clerk.

Motion carried on a vote of 4-0.

- D. Discuss and consider possible action to enter into an agreement with Bell County for the use of the County's voting equipment for the upcoming Village of Salado General Election on May 2, 2020. (*Village Administrator*)

Village Administrator Ferguson recommended approval and reminded that the agreement can be cancelled if the election is moved. He reminded there is no cost to the Village until the equipment is used. He added that if the Village moves the election to November, there would be no equipment costs for the Village.

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

### **Adjournment**

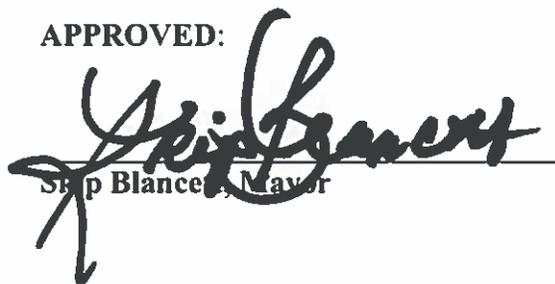
Alderman Cole moved to adjourn. Alderman Coggin seconded. Mayor Blancett called the meeting adjourned at 8:14 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 16<sup>th</sup> of April, 2020.

APPROVED:

  
Step Blance, Mayor

ATTEST:

  
Cara McPartland, City Secretary

