MINUTES
WATAUGA CITY COUNCIL
REGULAR MEETING
MONDAY, AUGUST 23, 2021
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
6:30 PM

CALL TO ORDER

Mayor Miner called the Regular Meeting of the Watauga City Council to order at 6:47 p.m.

ROLL CALL

Council Place 1, Pat Shelbourne – Present
Council Place 2, Tom Snyder – Absent (with notice)
Council Place 3, Lovie Downey – Present
Mayor Pro Tem/Council Place 4 – Andrew Neal – Present
Council Place 5 – Juanita King – Absent (with notice)
Council Place 6 – Mark Taylor – Present
Council Place 7 – Jan Hill - Present

INVOCATION

Dennis Hester of First Baptist Church Watauga provided the invocation.

PLEDGE OF ALLEGIANCE

Mayor Miner led the pledges to the US and Texas flags

ANNOUNCEMENTS

Mayor Pro Tem Neal stated a bulk waste forum has been created and posted on the City's website for citizens to provide input on waste services and announced that August 26, 2021 is National Dog Day.

Mayor Miner announced the event planned for Saturday, September 11, 2021 at the Central Fire Station to commemorate the 20th Anniversary of the 9/11 attacks.

PRESENTATIONS

1. **Presentation to City Manager Andrea Gardner in appreciation of her service and dedication to the City of Watauga**

   Mayor Miner presented Ms. Gardner with a plaque to demonstrate the City's appreciation for her contribution to the City of Watauga during her tenure as City Manager. Ms. Gardner expressed her appreciation to the employees of the City and the City Council.

PUBLIC COMMENT

Kelly White addressed the Council and provided written comments as well describing a dangerous intersection and requesting the City research measures to improve the safety of the intersection.

PUBLIC TESTIMONY FOR ACTION ITEMS

Jillian Giles requested Council consider leaving Division 2, Ethics, item 2A, financial interest, as is with no changes.

CONSENT AGENDA

1. **Consider action to approve the Watauga Economic Development Staffing Reimbursement Resolution for Fiscal year 2021-2022**
2. **Consider action approving a resolution setting the City Observed Holiday Schedule for the 2022 Calendar Year; providing for repeal; providing for severability; providing an effective date**
3. **Consider action to approve the meeting minutes of the August 3, 2021 City Council Workshop; August 3, 2021 City Council Special Meeting; August 4, 2021 City Council Workshop**
4. **Consider action to approve the Monthly Financial Report for the period ending July 31, 2021**

Mayor Miner read the consent agenda item captions and called for a motion. Council Member Downey made a motion to accept the consent agenda as presented. Council Member Hill seconded the motion. The Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2

PUBLIC HEARINGS / ACTION

1. **Public Hearing and action on the City Manager's Proposed Budget for Fiscal Year 2021-2022**

Mayor Miner opened the Public Hearing at 7:07 p.m.

Ms. Gibson provided an overview of the item.

Jillian Giles provided public comment during the public hearing that included a request for the City to consider use of ARPA funds to offset some general fund expenses so that the property tax rate might be reduced. She read off several items that she interpreted as being authorized for use.

Mayor Miner asked for the deadline to utilize the ARPA funds. Ms. Gardner responded the deadline is December 31, 2024.

Mayor Miner closed the Public Hearing at 7:19 p.m. and called for a motion.

Council Member Neal made a motion to accept the City Manager Proposed Budget. Council Member Downey seconded the motion. The Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2

Ms. Kelley stressed that the action taken by Council on this item was to accept the budget, not approve the budget. The budget is scheduled for adoption/approval on September 13, 2021.

2. **Public Hearing on the Watauga Economic Development Corporation Proposed Budget for FY2021-2022**

Mayor Miner opened the Public Hearing at 7:21 p.m.

Ms. Gibson provided an overview of the item.

Mayor Miner closed the Public Hearing at 7:23 p.m.

ACTION ITEMS

1. **Discuss and consider action to approve an ordinance authorizing the issuance of "City of Watauga, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021" providing the terms and conditions of said certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and an official bid form; complying with the requirements of the letter of representations previously executed with the depository trust company; and other matters related thereto; authorizing the execution of any necessary engagement agreements with the City's Financial Advisors and/or Bond Counsel; and providing an effective date**

Ms. Gibson provided an overview of the item by stating the issuance was for $4.7 million and the process for issuance began in June 2021. The issuance will provide funding for street projects in the amount of $3.7 million and capital equipment for $1 million.

Mark McLiney of Samco Capital, the City's Financial Advisor, reviewed the bids received with the Council and recommended awarding to FHN at a rate of 1.57%.

Mayor Pro Tem Neal asked why pay more with FHN but BOK is lower. Mr. McLiney explained the bid from FHN includes a premium that is used to lower issuance costs and underwriting.

Council Member Shelbourne made a motion to approve the issuance of Watauga Certificates of Obligation, Series 2021. Council Member Downey seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2

Mayor Miner recessed the regular meeting to convene into Executive Session to discuss Executive Session Items 2 and 4 at 7:35 p.m. as authorized by Texas Local Government Code Sections 551.071 (Consult with Attorney) and 551.087 (Economic Development Negotiations).

Mayor Miner reconvened the regular meeting from Executive Session at 9:02 p.m. and recalled Executive Session Items 2.

2. Pursuant to Texas Government Code Sections 551.071 and 551.087, to seek legal advice regarding and to discuss economic incentives for SP Ventures, LLC (Blazing Hospitality)

Council Member Downey made a motion to authorize the City Manager to execute a 380 Agreement with SP Ventures for the construction of Denton Highway property 6,000 sf minimum facility size with investment of $3.5 million within 24 months of acquisition of the Denton Highway location with. The agreement will be effective November 15, 2021. Includes sales tax revenue sharing in year 1 at 6.5 percent, years 2 and 3 at 65 percent, years 4 and 5 at 50 percent and year 6 at 6.5 percent, all to be capped at $140,000 over the term of the agreement. The facility must be constructed to consist of 30 percent brick exterior with standards equal to or greater than the reference building and an option for a second location on Rufe Snow Drive at a minimum square footage of 4,000. Mayor Pro Tem Neal seconded the motion. Hearing no further discussion, Mayor Miner called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

4. Pursuant to Texas Government Code Sections 551.071 and 551.087, to seek legal advice regarding and to discuss economic incentives for FSG, LLC (Excel Construction)

Council Member Downey made a motion to authorize the City Manager to execute a 380 Agreement with FSG, LLC with the following terms 6 years, effective date October 1, 2021 and construction of a 4,800 sf metal building and 100 percent stucco façade, construction of sidewalks along the entire frontage, concept plan must be submitted and approved by the City Manager for inclusion in the agreement, the six year grant agreement will begin the year after a certificate of occupancy is issued fiscal year based off of October 1 to September 30, amounts equal to percentages of property tax revenue at 75 percent in year one and 50 percent for the following years, hiring of five positions with a salary range of $35,000 to $55,000 annually and the hiring of one position at an annual salary of

$80,000 and construction of a 1,500 sf storage facility. Council Member Hill seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

Mayor Miner returned to the Action Items.

2. **Discuss and consider action to approve or reject the Crime Control and Prevention District Budget for the Fiscal Year 2021-2022**

Ms. Gibson provided an overview of the item. Council Member Downey made a motion to adopt the Crime Control and Prevention District Budget for FY 2021-22. Council Member Shelbourne seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

3. **Discuss and consider action on the adoption of the Watauga Economic Development Budget for the Fiscal Year 2021-2022**

Ms. Gibson provided an overview of the item. Council Member Shelbourne made a motion to adopt the Watauga Economic Development Corporation Budget for FY 2021-22. Council Member Downey seconded the motion. The Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

4. **Discuss and consider action to approve a resolution amending the Business Retention Project to add funding for the installation and display of one electronic variable message sign in the City of Watauga and authorizing the Watauga Economic Development Corporation to increase the grant to the City to expand the project; providing for severability; and providing an effective date**

Ms. Deby Woodard provided an overview of the item. Mayor Pro Tem Neal made a motion to approve the item as presented. Council Member Hill seconded the motion. Hearing no further discussion, the Mayor called a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

5. **Discuss and consider action on ordinance of the City of Watauga, Texas, amending Chapter 2, Administration, and Chapter 12, Fee Schedule, of the Code of Ordinances of the City of Watauga, Texas; providing rules and regulations for the administration of the City; providing for fees associated therewith; providing for repeal; providing for severability; providing a penalty; and providing an effective date**

Ms. Kelley provided an overview of the item by stating Legal took comments from multiple meetings and incorporated the comments into the Ordinance before the Council.

Council Member Hill made a motion to accept the item as presented. Council Member Downey seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

6. **Discuss and consider action on an ordinance of the City of Watauga, Texas, amending Chapter 22, Licenses, Permits and Business Regulations, and Chapter 12, Fee Schedule, of the Code of Ordinances of the City of Watauga, Texas; providing rules and regulations for the business registration program; providing a fee associated therewith; providing for repeal; providing for severability; and providing an effective date**

Ms. Gardner provided an overview of the item. Council Member Downey made a motion to approve an ordinance adopting business regulations. Council Member Hill seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

7. **Discuss and consider action to approve Bid # 21-006 for Water, Sewer, Utility Parts as presented**

Ms. Deby Woodard provided an overview of the item. Mayor Pro Tem Neal made a motion to accept the item as presented. Council Member Shelbourne seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

Mayor Miner returned to Action Item 5 to announce a request to provide public testimony had been submitted but the individual was no longer present when the item was called.

8. **Discuss and consider action on appointments and re-appointment to the Board of Appeals**

Ms. Gardner reviewed some changes to agenda. Reminded the Council of the action taken earlier on Action Item 2 to make the expiration dates for all board appointments to be uniform and expire on the same month and day each year. Furthermore, the Council desired to have odd numbered places expire in odd years and the even numbered places expire in even years. For the Board of Appeals, Place 2 currently expires in an odd year and Place 5 currently expires in an even year. Ms. Gardner requested a motion to switch places 2 and 5 on the Board of Appeals so that Place 2 would expire in an even year and Place 5 expire in an odd year.

Council Member Hill made a motion to reverse the places on the Board of Appeals as presented by the City Manager. Council Member Shelbourne seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None

Absent: Snyder and King

Motion Carried 5-0-0-2.

Next Ms. Gardner reviewed the Mayor's appointment recommendations as Place 1 reappoint David Villafuerte, Place 3 reappoint Glenn Knight and Place 5 reappoint Leah Chauvin to terms ending on August 31, 2023. Also, appoint Roy Stults to the unexpired term in Place 4 with a term expiration of August 31, 2022.

Council Member Shelbourne made a motion to approve as presented. Council Member Downey seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

9. **Discuss and consider action on appointments, re-appointments and removal of board members to the Charter Review Commission**

Ms. Gardner provided a review of the Mayor's recommendations as follows:

Remove Becky Hartless (Place 1) and Carolyn Patton (Place 3) and reappoint Kip Woodruff to Place 7 for term expiring on August 31, 2023.

Ms. Kelley informed the Council that the Charter Review term dates are controlled by the Charter, thus the expiration date for that Commission must remain as June 30.

Council Member Hill made a motion to remove Becky Hartless from Place 1, Carolyn Patton from Place 3 and reappoint Kip Woodruff to Place 7 for a term ending on June 30, 2023. Council Member Shelbourne seconded the motion.

Discussion between Council Members and the Mayor was recorded as a difference of opinion on Council Members being authorized to serve on City boards, committees or commissions and the City Council simultaneously. Ms. Kelley provided information to the Council on dual office holding prohibition and stated that prohibition would impact council members from serving on the Zoning Board of Adjustment, the Planning & Zoning Commission and the Board of Appeals. She further stated the WEDC Bylaws addresses the number of council members authorized to serve on that Board.

Upon completion of discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal and Hill
Nays: Taylor
Absent: Snyder and King

Motion Carried 4-1-0-2.

10. **Discuss and consider action on appointments and re-appointment to the Watauga Library Board**

Ms. Gardner reviewed the Mayor's recommendations with the Council to include the following:

Reappoint Lindsey Neal to Place 1 and Kip Woodruff to Place 7 for terms expiring on August 31, 2023 and appoint Whitney Isbell to Place 5 for a term expiring on August 31, 2023.
Council Member Downey made a motion to accept the item as presented. Council Member Hill seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

11. **Discuss and consider action on re-appointments to the Parks Advisory Board**

Ms. Gardner provided a review of the Mayor's recommendations as follows:

Reappoint Jim McDonald to Place 1, Natasha Havrda to Place 3 and Lindy Riggal to Place 5 for terms ending on August 31, 2023.

Council Member Hill made a motion to approve as presented. Council Member Shelbourne seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

12. **Discuss and consider action on appointments and re-appointment to the Planning and Zoning Commission**

Ms. Gardner reviewed the Mayor's recommendations as follows:

Reappoint Cristy McCauley to Place 5 and Sharon Gehle to Place 7 for a term ending on August 31, 2023.

Mayor Pro Tem Neal made a motion to approve as presented. Council Member Downey seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

13. **Discuss and consider action on re-appointment to WEDC Board**

Ms. Gardner provided a review of the Mayor's recommendations as follows:

Reappoint Art Miner to Place 1, Jan Hill to Place 3, Mike Alexander to Place 5 and Lissa Sieja to Place 7, all with terms expiring on August 31, 2023.

Council Member Taylor stated he wasn't arguing that Council can serve but that the Interview Committee didn't interview any of the applicants. Council Member inquired if individuals seeking reappointment were required to be interviewed. Mayor Miner stated there is no requirement for those wanting to be reappointed. Council Member Downey stated she addressed with her earlier comments. Mayor Miner read language from Chapter 2 approved earlier in meeting related to the Interview Committee. Council Member Taylor recalled a process and stated the process isn't being followed.

Mayor Pro Tem Neal called Point of Order because the matter isn't about Interview Committee, it is about appointments. Mayor Miner ruled the Point of Order as denied.

Council Member Hill asked for confirmation that Mayor makes recommendations and Council either votes for or against. Council Member Shelbourne asked if Council could not approve the ones they wanted.

Council Member Downey made a motion to accept the item as presented.

Council Member Shelbourne seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal and Hill
Nays: Taylor
Absent: Snyder and King

Motion Carried 4-0-1-2.

14. **Discuss and consider action on appointments and re-appointment to the Zoning Board of Adjustment**

Ms. Gardner provided a review of the Mayor's recommendations as follows:

Reappoint David Villafuerte to Place 1 and Charlie Mann to Place 5 for terms ending August 31, 2023 and appoint Roy Stilts to Place 3 for a term ending August 31, 2023.

Council Member Shelbourne made a motion to approve as presented. Council Member Downey seconded the motion. Hearing no further discussion, the Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

REPORTS

1. **87th Regular Session of the Texas Legislature Update**

Ms. Gardner provide the Legislative Report to the Council as required by the Legislative Policy.

No action required on this item.

ITEMS FOR FUTURE AGENDAS

None

Mayor Miner recessed the regular meeting to convene in Executive Session pursuant to Texas Local Government Sections 551.074, 551.071, 551.087 and 551.072 at 10:27 p.m.

EXECUTIVE SESSION The City Council will recess its open meeting and reconvene in executive session to discuss the following items pursuant to the below referenced section(s) of the Texas Government Code:

1. **Pursuant to Texas Government Code Section 551.074, to deliberate the appointment, employment or duties of an interim City Secretary**

3. **Pursuant to Texas Government Code Sections 551.071 and 551.087, to seek legal advice regarding and to discuss economic incentives for Smiley Transportation**

5. **Pursuant to Texas Government Code Section 551.071, to seek legal advice regarding permitting by Lifestyle Christianity Church for an irrigation well**

6. **Pursuant to Texas Government Code Section 551.072, to deliberate the purchase, exchange, lease or value of real property - Lifestyle Christianity Church property**

RECONVENE The City Council will return to open session in the City Council Chamber for possible discussion and action as a result of the Executive Session.

Mayor Miner reconvened the regular meeting at 11:39 p.m.

ITEMS OF EXECUTIVE SESSION DELIBERATION

1. **Pursuant to Texas Government Code Section 551.074, to deliberate the appointment, employment or duties of an interim City Secretary**

Council Member Hill made a motion to appoint Raquel Guajardo as the Interim City Secretary for the City of Watauga. Council Member Downey seconded the motion. Council Member Jan Hill requested to amend the motion to make the appointment effective September 11, 2021. Council Member Downey seconded the amendment. Mayor called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill

Nays: None

Absent: Snyder and King

Motion Carried 5-0-0-2.

3. Discuss and consider action on a Chapter 380 Economic Development Agreement between the City of Watauga and Smiley Transportation

Council Member Hill made a motion to authorize the City Manager to execute a 380 Agreement with Smiley Transportation and Wetzel Consulting for a share of the increase in property tax revenues at 50 percent per year with a maximum total payment of $35,000 that includes $14,500 as an economic incentive payment for an initial investment within 90 days and establish a baseline annual payroll as June 1, 2020 – May 31, 2021 and required to increase baseline payroll amount by 25 percent in a year of the agreement and maintain that 25 percent for three consecutive years. Council Member Downey seconded the motion.

Council Member Shelbourne questioned if the motion included a term for the agreement. It was stated the agreement was for seven years. The Mayor restated the motion and called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

5. Pursuant to Texas Government Code Section 551.071, to seek legal advice regarding permitting by Lifestyle Christianity Church for an irrigation well

Mayor Pro Tem Neal made a motion to direct the City Manager to have the Chief Building Official rescind the denial of the water well permit. Council Member Hill seconded the motion. Mayor Miner called for a vote.

Ayes: Shelbourne, Downey, Neal, Taylor and Hill
Nays: None
Absent: Snyder and King

Motion Carried 5-0-0-2.

ADJOURNMENT

There being no further business before the Watauga City Council, Mayor Miner adjourned the meeting at 11:47 p.m.

APPROVED: **this** 13th **day of** September**, 2021.**

SIGNED: **this** 14th **day of** September**, 2021.**

APPROVED:

Arthur L. Miner /s/

Arthur L. Miner, Mayor

ATTEST:

/s/ Terri Johnson

Terri Johnson, Interim City Secretary

CITY OF WATAUGA, TEXAS

NOTE: Original Audio and Video Recording of this meeting is preserved and maintained by the City Secretary's Office