

## **CITY COUNCIL MINUTE RECORD**

The City of San Angelo  
Tuesday, September 17, 2013

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Vol. 104

### **OPEN SESSION**

BE IT REMEMBERED City Council convened in a regular meeting at 9:05 A.M., Tuesday, September 17, 2013, in the San Angelo McNease Convention Center, 500 Rio Concho Drive, San Angelo, Texas. All duly authorized members of the Council, to-wit:

Mayor, Dwain Morrison  
Councilmember Rodney Fleming  
Councilmember Marty Self  
Councilmember Johnny Silvas  
Councilmember Don Vardeman  
Councilmember Kendall Hirschfeld  
Councilmember Charlotte Farmer

were present and acting, with the exception of , thus constituting a quorum. Whereupon, the following business was transacted:

An invocation was given by Citizen Harry Thomas and pledge was led by Candi Pool of the San Angelo Association of Realtors.

### **PROCLAMATION AND RECOGNITION**

Darlene Luna, Purchasing Specialist with the City of San Angelo, for receiving the State of Texas Procurement Certification

“Lakeview Homecoming Day, Beat the Snyder Tigers”, Friday, September 27, 2013, was accepted by Sadie Reddy, Student Cheerleader, Cheerleader Squad, and Lake View High School Football Team

### **PUBLIC COMMENT**

Public comments were made by Citizen JB Hall regarding support for the 19<sup>th</sup> Street sidewalk project. Mayor Morrison directed staff to speak with Mr. Hall regarding the project and for staff to post the necessary information regarding the project on the City’s website.

Public comment and presentation was made by Citizen Bill Cullins and September Summers of Shannon Medical Center and Stephanie Riley of HEB regarding the Get Healthy San Angelo and H-E-B Challenge initiative.

Councilmember Silvas commented on an email received from Gary Goetz regarding debris and unsanitary conditions at the 7<sup>th</sup> and Pecan intersection.

### **CONSENT AGENDA**

#### **APPROVAL OF THE SEPTEMBER 3, 2013 CITY COUNCIL REGULAR MEETING MINUTES**

**CONSIDERATION OF AWARDED RFB WU-13-13 CHLORINE BID TO DPC INDUSTRIES INC. (SWEETWATER, TX) IN THE AMOUNT OF \$69,300.00 FOR LIQUID CHLORINE FOR USE IN THE WATER TREATMENT PLANT**

APPROVAL OF A NEW LAKE LOT RESIDENTIAL LEASE FOR FINANCING PURPOSES WITH THE FOLLOWING LESSEE AND AUTHORIZING THE MAYOR, CITY MANAGER, OR WATER UTILITIES DIRECTOR TO EXECUTE THE SAME (Discussed in Regular Agenda)

Lot 17, Group 9, 1906 South Concho Drive (Sims)  
Lot 20, Group 15, 2378 Fishermans Road (Jonas)

AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A CONCESSION AGREEMENT AND ALL RELATED DOCUMENTS BETWEEN THE CITY AND AVIS CAR RENTAL GROUP, LLC, IN SUBSTANTIALLY THE ATTACHED FORM, FOR A NON-EXCLUSIVE LICENSE TO OPERATE AN AUTOMOBILE RENTAL SERVICE AT THE SAN ANGELO REGIONAL AIRPORT-MATHIS FIELD

AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A CONCESSION AGREEMENT AND ALL RELATED DOCUMENTS WITH BUDGET RENT A CAR SYSTEM, INC., IN SUBSTANTIALLY THE ATTACHED FORM, FOR A NON-EXCLUSIVE LICENSE TO OPERATE AN AUTOMOBILE RENTAL SERVICE AT THE SAN ANGELO REGIONAL AIRPORT-MATHIS FIELD

APPROVAL OF THE CONTINUATION OF A CITY POLICY PROVIDING FOR PAID TIME OFF FOR CITY EMPLOYEES WHO CONTRIBUTE A "CARE SHARE", A "DOUBLE CARE SHARE", OR GREATER TO THE 2013-2014 UNITED WAY CAMPAIGN

AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT FOR 9-1-1 PUBLIC SAFETY ANSWERING POINT SERVICES WITH THE CONCHO VALLEY COUNCIL OF GOVERNMENTS FOR THE OPERATION OF 9-1-1 SERVICES IN TOM GREEN COUNTY PURSUANT TO THE REGIONAL PLANNING COMMISSION (RPC) STRATEGIC PLAN

ADOPTION OF A RESOLUTION ACCEPTING THE U.S. DEPARTMENT OF JUSTICE FY 2013 JUSTICE ASSISTANCE GRANT IN THE SUM OF TWENTY-TWO THOUSAND SEVEN HUNDRED FORTY-ONE AND NO/100 DOLLARS (\$22,741.00), AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE SUCH GRANT AWARD AND RELATED DOCUMENTS AS MAY BE NECESSARY OR CONVENIENT FOR ACCEPTANCE OF THE GRANT (Page 799, #2013-09-121)

ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY TO ACCESS THE RESERVATION SYSTEM FOR 2014-2015 AMY YOUNG BARRIER REMOVAL PROGRAM FUNDS AND APPLY ON BEHALF OF THE SAN ANGELO HOUSING SUPPORT DIVISION FOR SUCH GRANT FUNDS; AND APPROVING ACCEPTANCE OF GRANT FUNDS AWARDED (Page 801, #2013-09-122)

SECOND HEARING AND ADOPTION OF AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" (ZONING ORDINANCE) OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO (Page 803, #2013-09-123)

Z13-25: Efraim and Lupe Puente

AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH SAID EXHIBIT "A" OF CHAPTER 12 ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY CHANGING THE ZONING AND CLASSIFICATION OF THE FOLLOWING PROPERTY, TO WIT: 801 Fisher Street, located at the northwest corner of the intersection of Townview Lane and Fisher Street. This property specifically occupies the Porter Highland Acres, Block 2, Except N 350' of W 122.9' and S 25' of Lot 30, in western San Angelo, changing the zoning classification from Ranch & Estate (R&E) to Single-Family Residential (RS-1) District; PROVIDING FOR SEVERABILITY AND PROVIDING A PENALTY

SECOND HEARING AND ADOPTION OF AN ORDINANCE AUTHORIZING ABANDONMENT OF PUBLIC RIGHT-OF-WAY BETWEEN CORNICK'S ADDITION, BLOCK 2 AND IMMEDIATELY NORTH OF LOTS 8-11 AND SOUTH OF THE BAPTIST MEMORIALS GERIATRIC ADDITION, SECTION 2, BLOCK 2, LOT 1 IN NORTH-CENTRAL SAN ANGELO (Page 805, #2013-09-124)

AN ORDINANCE PROVIDING FOR THE ABANDONMENT AND CLOSING OF THE FOLLOWING STREET SEGMENT, TO WIT: An approximately 20 foot wide x 450 foot long portion of alley running east to west, perpendicular to Holcomb Street located between Cornick's Addition, Block 2 and immediately north of Lots 8-11 and south of the Baptist Memorials Geriatric Addition, Section 2, Block 2, Lot 1 in north-central San Angelo; AUTHORIZING THE CONVEYANCE THEREOF TO THE ABUTTING PROPERTY OWNERS; PROVIDING FOR THE TERMS AND CONDITIONS OF ABANDONMENT AND CONVEYANCE; AND PROVIDING FOR THE MAYOR TO EXECUTE AND DELIVER A QUIT CLAIM DEED TO THE ABUTTING PROPERTY OWNERS

SECOND HEARING AND ADOPTION OF AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" (ZONING ORDINANCE) OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO (Page 807, #2013-09-125)

Z 13-26: Mills Development, Inc.

AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH SAID EXHIBIT "A" OF CHAPTER 12 ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY CHANGING THE ZONING AND CLASSIFICATION OF THE FOLLOWING PROPERTY, TO WIT: An unaddressed tract occupying a 24.484 tract extending northwest from Mills Pass Drive and located directly west of an 8.995 acre tract annexed to the City Limits on March 5, 2013 that comprises the Prestonwood Addition, Section Two, in southwest San Angelo, changing the zoning classification from a Ranch & Estate (R&E) to a Single-Family Residential (RS-1) District; PROVIDING FOR SEVERABILITY AND PROVIDING A PENALTY

Motion, to approve the Consent Agenda, with the exception of RFB WU-13-13, as presented, was made by Councilmember Silvas and seconded by Councilmember Self. Motion carried unanimously.

**REGULAR AGENDA: PUBLIC HEARING AND COMMENT**

AWARD OF RFB WU-13-13 CHLORINE BID TO DPC INDUSTRIES INC. (SWEETWATER, TX) IN THE AMOUNT OF \$69,300.00 FOR LIQUID CHLORINE FOR USE IN THE WATER TREATMENT PLANT

Water Utilities Director Ricky Dickson presented background information.

Motion, to award, as presented, was made by Councilmember Farmer and seconded by Councilmember Self. Motion carried unanimously.

AUTHORIZATION FOR FUNDING AND PAYMENT FOR THE CITY'S PROPORTIONATE SHARE OF COSTS INCURRED FOR SERVICES PURSUANT TO THE INTERLOCAL AGREEMENT BETWEEN CITIES OF ABILENE, MIDLAND AND SAN ANGELO, EFFECTIVE APRIL 9, 2011 (WEST TEXAS WATER PARTNERSHIP), AND RATIFICATION OF ALL ACTIONS ALREADY TAKEN AND PAYMENTS MADE PURSUANT TO SAID INTERLOCAL AGREEMENT SINCE ITS EFFECTIVE DATE

Requested by Mayor Morrison, he informed once the issue was discovered, management staff was directed to investigate the issue. He noted a meeting was held with the attorneys involved with the project. Mayor Morrison explained the City Council met in Executive Session, noting Councilmember Farmer was not available for the second session of Executive Session. As a consensus of the City Council, it was determined

the issue would be handled on the September 17, 2013. He noted on September 11, 2013, Councilmember Farmer prematurely released information regarding the matter to the media.

City Manager Daniel Valenzuela provided a history of the TriCity Partnership consisting of Cities of Midland, Abilene, and San Angelo. He read a statement into the record:

***Joint statement on West Texas Water Partnership from City Manager Daniel Valenzuela, Mayor Dwain Morrison***

*The following statement is offered jointly to our City Council, to the public and to the media from myself and from Mayor Morrison.*

*These are the facts:*

*On March 22, 2011, following a presentation by the prior City Manager and his Water Utilities Director, the City Council authorized the City Manager to negotiate and execute a contract with the cities of Abilene and Midland. The resulting agreement calls for the cities to work together to develop strategies that will result in all three communities supplementing their existing water supplies with long-term solutions. This effort is now known as the West Texas Water Partnership. In approving the agreement, the Council required that the contract include a provision under which the negotiated cost to the City of San Angelo would not exceed \$100,000. The Council approved the motion unanimously.*

*On May 20, 2011, the City Managers of all three cities, including my predecessor, signed and executed the agreement. The contract was also signed by the City Attorneys of Abilene and of Midland, but not by San Angelo's City Attorney. The contract was drafted and reviewed by the Austin law firm of Lloyd Gosselink, which is representing the West Texas Water Partnership. The agreement was never submitted to the San Angelo City Attorney for her review and signature.*

*In approving the contract, the City Councils of Abilene and Midland did not stipulate to a maximum expense. The executed contract does not include the \$100,000 expense limit mandated by the San Angelo City Council. As a result, per the contract, the purchase orders issued by our Purchasing Division did not include a cap on how much the City of San Angelo could expend under the agreement.*

*On Dec. 15, 2011, the City of San Angelo's Water Utilities Director at the time received the first invoice from the City of Abilene, which is acting as the Partnership's fiscal agent. The invoice was for services rendered by Lloyd Gosselink and by two engineering firms whose specialties include water supply evaluation, planning, development and design – those being Enprotec / Hibbs & Todd, and HDR. (It should be noted that Lloyd Gosselink and Enprotec / Hibbs & Todd had previously been assisting Abilene in the development of a new reservoir. Midland and San Angelo agreed to utilize the firms under their existing contracts with Abilene.) San Angelo's share of the first invoice amounted to \$43,259.72.*

*The \$100,000 limit mandated by the City Council was surpassed on May 25, 2012. The City of San Angelo has honored the signed and binding interlocal agreement. To date, the City of San Angelo has paid a total of \$185,334.38. Another \$62,527.38 is pending payment. That brings the total amount paid and owed to \$247,861.76.*

*The professional services rendered to date involve engineering, environmental, legal and political evaluation of a myriad of options for future regional water supplies. Details of these evaluations are protected by a confidentiality clause in the interlocal agreement. This clause ensures that sensitive information that could compromise the three cities' ability to develop future water supplies is protected. What we can say is the work of the partnership's attorneys and engineers have sharply focused efforts on the options most likely to prove successful in developing long-term water sources. Among the factors considered in evaluating possible*

*water supplies are reliability, renewability, cost, feasibility, sustainability, and legal and permitting issues.*

*In recent discussions with current and former City of San Angelo employees and elected officials, many have said they did not and could not recall the City Council stipulation that expenditures be capped at \$100,000. They have said their belief and understanding were that the costs would and should be shared equally among the three cities, which has been the case. One former Council member said had he been aware of the \$100,000 limit, he would have sought more funding from the City Council. This Council member said he expected the total cost would well exceed \$100,000. And in fact, in approving the agreement, Council members expressed an expectation that the cost would exceed \$100,000 and their approval of a budget amendment would be required at that point. I concur with the assessment that this effort will not be inexpensive. This will be a long and involved process that will involve much technical study and analysis by attorneys and engineers with an expertise in water matters.*

*There is no doubt the interlocal agreement and the expenditures were not in keeping with the City Council's expressly stated instructions. The City of San Angelo has procedures in place to prevent such mistakes. First and foremost, all contracts approved by Council should undergo a legal review by the City Attorney's office and should require an attorney's signature. Part of that legal review ensures the contract reflects the expressed and approved desires of the City Council. Again, that did not happen in this case. Because the two staff members who spearheaded the City's initial involvement in the partnership and the interlocal agreement no longer work for the City, we cannot explain why this procedure was not followed.*

*Had the required legal review occurred, there would have been at least one other level of protection. The purchase orders sought to remit payment under the contract would have reflected the expense cap, per the agreement. Any payment sought above that ceiling would have been red-flagged and rejected. Additionally, it is not unusual for a special account to be established for a project such as this. The authorized amount is then placed into this account, from which all invoices are paid. Payments would be rejected once the account is exhausted. At that point, the City Council could consider increasing or eliminating the cap on expenditures via a budget amendment.*

*Because the interlocal agreement did not include a limit on expenditures, none of these accounting safeguards were in place. During this time span, the City was between City Managers, San Angelo's involvement in the West Texas Water Partnership was limited to a handful of officials, and the City Council was strongly pressing the need to address the community's short- and long-term water supply. As a result, I am convinced the failure of the interlocal agreement to reflect the Council's authorization of the contract was an oversight rather than willful negligence on the part of any former or current employee. I have reached this conclusion after thorough investigations by myself and by the City's internal auditor. Most of the City Council members, including Mayor Morrison, have concurred with this assessment.*

*Moving forward, I will require the following:*

- First, all Council-approved contracts will be reviewed by and will include the signature of one of our City attorneys.*
- Second, our Purchasing Division will continue to ensure that all purchase orders reflect the contract upon which they are based.*
- Third, separate expenditure accounts will be established for special projects to ensure that spending does not exceed the authorized expense.*
- Lastly, failure by any employee to adhere to these procedures will result in disciplinary action.*

*Additionally, in this particular instance, more information about the West Texas Water Partnership's work will be shared with the City Council. That change has already been instituted. I plan to update the Council about the activities of the West Texas Water Partnership in executive session on a quarterly basis. We want each of the seven elected Council members to be knowledgeable of and comfortable with the Partnership's efforts.*

*In conclusion, it is vital for the City Council, the public and our partners in Abilene and Midland to unquestionably know Mayor Morrison and I remain fully supportive of and committed to the West Texas Water Partnership. The impetus that sparked this cooperative regional effort remains as real today as it was when our three communities came together two-plus years ago. That is, we share a common, dire need ... to develop water sources that will allow our communities to thrive for generations to come. And we share the sincere belief that we can accomplish more good for each of our communities – and for the whole of West Texas and its smaller municipalities – by working in concert with one another rather than in conflict against one another. This is true politically; we need the voices of all of West Texas' state representatives and state senators speaking in unison if we are to be heard above the chorus of elected officials from more populous areas east of I-35. This is true financially; combining resources is the wisest use of taxpayers' dollars. It ensures we don't duplicate the need for items such as engineering services or infrastructure, and it allows us to stretch our dollars further in reaching even farther out to the most reliable water sources. And this is true regionally. We are neighbors; what's good for San Angelo, Abilene and Midland is good for Ballinger, Robert Lee, Big Spring, Coleman and a whole host of small towns throughout West Texas.*

*Frankly, Abilene and Midland need San Angelo to make this quest for more water work. Likewise, San Angelo needs them. Mayor Morrison and I urge this Council and our citizens to continue to support this regional effort. It may well be the engine for ensuring that San Angelo and our neighbors have continued access to the most essential and the most precious natural resource a community and its people need.*

*Daniel Valenzuela, City Manager  
City of San Angelo*

Mayor Morrison further clarified when the project was presented in April 2011, Council Members were aware there would be several phases in this process, specifically noting the confidentiality of the project research. He expressed had the expenditure issue been presented to Council, the expenditure would have been approved due to the nature and dire straits of the City's need for water. Mayor Morrison noted Councilmember Farmer was also in support of the partnership, as written in her letter released to the public. He apologized for the oversight and noted the item has been presented on the agenda providing full transparency to the public.

Councilmember Wardlaw requested clarification regarding the caption as listed on the draft agenda and final agenda noting he considered the caption to be too broad and general. Referencing Councilmember Farmer's letter, Councilmember Wardlaw stated she alleged there were recent modifications made to 2012 minutes noting tampering with a government documents is a felony offense. He suggested the City Clerk provide clarity as to whether the minutes were modified, and if modified, present those modifications whether grammatical or substantiated. City Clerk Alicia Ramirez explained administrative changes to the minutes are common; however, substantial changes made to a set of minutes previously approved by the City Council are not made without submitting such changes to the City Council for final review and approval.

Responding to the question regarding the caption wording, Mr. Valenzuela informed it is common for numerous changes between the draft agenda document to the final published form. He noted the individuals involved included the City Attorney and Assistant City Manager/Chief Financial Officer Michael Dane. Mr. Valenzuela noted the caption, as written, was to ensure staff received specific instruction and approval to

proceed with the payment of expenditure associated with Phase I on the interlocal agreement as well as providing further direction to proceed with future expenditures.

Mr. Valenzuela further explained the comment regarding previous unauthorized expenditures for furniture noting the unauthorized expenditure for the partnership happened prior to the furniture issue. He remarked City procedures were not followed on the partnership contract; stating these were two totally different issues.

General discussion was held on Councilmember Farmer's access to various documents pertaining to the Phase I expenditures, related dates the information was available, and Ms. Farmer's complaints addressed in her letter regarding accessibility to the documents.

Councilmember Fleming commented on Councilmember Farmer's statement regarding Council conducting an illegal executive session meeting on September 3, 2013 noting and clarifying Ms. Farmer was aware of the second executive session but chose not to attend. He spoke in support of the partnership between Midland and Abilene. He acknowledged staff's oversight of the expenditures; however, Mr. Valenzuela explained the oversight in executive session, which Ms. Farmer chose not to attend. Councilmember Fleming questioned Ms. Farmer's press release noting questionable ethical behavior. He further commented staff did apprise Council of the \$3M project costs during the last executive session.

Motion, to authorize funding and payment for City's proportionate share of costs incurred for services pursuant to the interlocal agreement between cities of Abilene, Midland and San Angelo, effective April 9, 2011 (West Texas Water Partnership), and ratification of all actions already taken and payments made pursuant to said interlocal agreement since its effective date, direction to staff to present quarterly reports, to include Phase I \$262,540.00 only, and with the stipulation any future expenditures, including Phase II, will be presented to City Council for review and approval, was made by Councilmember Silvas and seconded by Councilmember Fleming.

Mr. Dane explained the various cost associated with Phase I in the amount of \$262,540 and Phase II at an estimated cost of \$1,016,783 of the project. He further noted the documents should remain confidential as outlined in the agreement, staff will seek reimbursement of funds from City of San Angelo Development Corporation, as well as provide quarterly updates.

Responding to a question from Councilmember Farmer, Mayor Morrison expressly requested Ms. Farmer maintain the confidentiality of the interlocal agreement as it pertains to subject matters explicitly discussed in Executive Session.

*Councilmember Farmer left the meeting at 10:44 a.m. and returned at 10:48 a.m.*

Public Comments were made by Citizens Jim Turner, JB Hall, Steve Salmon, Gloria Dewitt, and Gary Cortese, Mayor Morrison further clarified and as a policy any future contracts will not be signed by the City Manager unless the contract has been reviewed and approved by the City Attorney. He also clarified the motion on the floor was explicitly to resolve and take action on Phase I expenditures.

A vote was taken on the motion on the floor. AYE: Morrison, Fleming, Self, Silvas, Vardeman, and Farmer. NAY: Wardlaw. Motion carried 6-1.

Motion, to approve future funding for Phase II at an estimated cost of \$1,016,783, and to continue to be a partner in the West Texas Water Partnership, and with the understanding any future payments will be presented to City Council for discussion and approval, was made by Councilmember Fleming and seconded by Councilmember Silvas.

Responding to a question from Councilmember Vardeman, Mayor Morrison suggested handling further discussion, not only in retrospect but as to the future of the matter, in executive session. Mr. Vardeman concurred.

Mr. Valenzuela suggested the project engineer present the information to Council.

After further discussion and in conclusion, Councilmember Silvas withdrew his motion, and Councilmember Fleming his second based on the impending executive session discussion.

City Attorney Lysia H. Bowling clarified the item will remain open until the second part of the item, Phase II, is discussed and approved. Council concurred.

### **RECESS**

At 11:06 A.M., Mayor Morrison called a recess.

### **RECONVENE**

At 11:24 A.M., Council reconvened, and the following business was transacted:

### **DISCUSSION OF NATURALLY OCCURRING RADIOACTIVE MATERIAL AS IT RELATES TO THE HICKORY GROUNDWATER SUPPLY PROJECT**

Water Utilities Director Ricky Dickson presented background information. *A copy of the presentation is part of the Permanent Supplemental Record.* He introduced Dr. Ian Hamilton and Mr. Rick Jacoby. They provided samples of various materials containing radioactive materials and readings.

General discussion was held on the number of such type of treatment plants in Texas; piping becoming radioactive due to the scale build up within the pipes, which would be scoured or scaled which will contain trace amounts of radioactive material; radium in water heaters, if water is not treated, no regulatory conditions exist regarding;

### **DISCUSSION AND POSSIBLE ACTION ON MATTERS RELATED TO THE 19<sup>TH</sup> STREET SIDEWALK PROJECT**

Requested by Councilmember Farmer, Survey Supervisor Ryan Ward presented background information. *A copy of the presentation is part of the Permanent Supplemental Record.* Mr. Ward provided two options and requested direction on which side to place the sidewalk – north or south side of 19<sup>th</sup> Street.

Public comments were made by Citizens Jerry Sea and Tim Davenport-Herbst.

Motion, to add the 19<sup>th</sup> street project to the CIP, to direct staff to design and present final costs, with the understanding the sidewalk will be installed on the southside of 19<sup>th</sup> street, was made by Councilmember Self and seconded by Councilmember Vardeman.

Responding to a question from Councilmember Farmer, Assistant City Manager/Chief Financial Officer Michael Dane stated funding will be allocated from the \$1.7M capital improvement plan budget, minus fire truck and cemetery allocation. He noted the cost will vary based on acquiring right-of-way easements and constructions materials.

A vote was taken on the motion on the floor. Motion carried unanimously.  
*Councilmember Self left the meeting at 12:10 p.m. and did not return.*

**RECESS**

At 12:14 P.M., Mayor Morrison called a recess.

**RECONVENE**

At 12:43 A.M., Council reconvened, and the following business was transacted:

**EXECUTIVE/CLOSED SESSION**

At 12:43 P.M., Council convened in Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open, Section 551.071(2) to consult with attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding the West Texas Water Partnership; Section 551.072 to deliberate the purchase, exchange, lease, or value of real property related to 1) proposed Fire Station, 2) Lake Nasworthy area, and 3) West Texas Water Partnership; and, Section 551.074(1) to deliberate the evaluation of the City Manager.

**RECESS**

At 1:58 P.M., Mayor Morrison called a recess.

**RECONVENE**

At 2:09 P.M., Council reconvened, and the following business was transacted:

**PRESENTATION OF AND POSSIBLE ACTION REGARDING FINAL DRAFT OF PLANNING DOCUMENT FOR LAKE NASWORTHY SUBDISTRICT, AS PREPARED BY GATEWAY PLANNING**

Interim Director of Development Services AJ Fawver, Gateway Planning Principal Scott Polikov, and Dan Martin presented background information. Staff will present final draft at a future meeting setting the planning document for final City Council review and approval. *A copy of the presentation is part of the Permanent Supplemental Record.*

Mayor Morrison suggested Council consider action at a future meeting. Council concurred.

**POSTPONEMENT OF POSSIBLE ACTION TO AMEND THE 2009 SAN ANGELO COMPREHENSIVE PLAN, BY INCORPORATING THE LAKE NASWORTHY SUBDISTRICT PLANNING DOCUMENT, AS PREPARED BY GATEWAY PLANNING**

Mayor Morrison suggested postponing the item to a future meeting. Council concurred.

**SECOND PUBLIC HEARING AND ADOPTION OF AN ORDINANCE LEVYING PROPERTY TAXES FOR THE CITY OF SAN ANGELO FOR THE 2013 TAX YEAR (Page 809, #2013-09-126)**

AN ORDINANCE FIXING AND LEVYING AD VALOREM TAXES FOR THE CURRENT TAX YEAR FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF SAN ANGELO, TEXAS, FOR THE 2013-2014 BUDGET YEAR; PROVIDING FOR THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING WHEN THE TAX SHALL BECOME DUE; PROVIDING WHEN THE TAX SHALL BECOME DELINQUENT; PROVIDING FOR EXEMPTIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION ON THE CITY OPERATED WEB SITE; AND, PROVIDING FOR AN EFFECTIVE DATE.

THE PROPERTY TAX RATE WILL BE INCREASED BY THE ADOPTION OF A TAX RATE OF 0.776/\$100, WHICH IS EFFECTIVELY A 4.75% PERCENT INCREASE IN THE TAX RATE

Budget Manager Morgan Chegwidan presented background information and explained the benchmark rate language as required by state law.

Mayor Morrison opened the floor for public input. No public comment was made. Mayor Morrison closed the public comment period.

Motion, to adopt the Ordinance, as presented, was made by Councilmember Farmer and seconded by Councilmember Vardeman. Motion carried unanimously.

POSTPONEMENT OF APPROVAL OF AN AMENDMENT TO VISION PLAN COMPONENT OF THE SAN ANGELO COMPREHENSIVE PLAN UPDATE ADOPTED IN 2009, SPECIFICALLY PROPERTIES LOCATED WITHIN AN APPROXIMATELY 1,800 FOOT RADIUS OF THE INTERSECTION OF ARMSTRONG STREET AND 28TH STREET IN NORTH-CENTRAL SAN ANGELO

Mayor Morrison suggested postponing the item to a future meeting. Council concurred.

DISCUSSION AND POSSIBLE ACTION ON MATTERS RELATED TO THE FISCAL YEAR 2013-2014 BUDGET TO INCLUDE:

Budget Manager Morgan Chegwidden presented background information. *A copy of the presentation is part of the Permanent Supplemental Record.*

- Development Corporation Funds

Ms. Chegwidden informed the corporation has two funds: 72% for community project ballot funds and 28% for other projects.

General discussion was held on the advertising budget, the increased overhead for administration, securing funding for project maintenance, analyzing the director's liability insurance, lobbyist fees, e.g. wind energy, allocation to the Chamber of Commerce, the assumption of incentivizing duplicated efforts between the City's and Chamber's Economic Development, the allocation to Downtown San Angelo, Inc., staff and external entities trainings and workshops, and questioned the membership allocation for the Standard Times 40.

Mr. Schneeman commented on the targeted industries and noted staff concentrates on other industries, thereby keeping a diversified economic development. Mayor Morrison suggested the Development Corporation review the recommendations and possibly suggest some reductions at a future meeting.

- Stormwater Fund

Ms. Chegwidden explained the state statute regarding amendments to the budget. Council suggested conducting a further and a more detailed review in the upcoming budget review process, specifically the associated fees assessed for future capital projects.

- Wastewater transfers

Assistant City Manager/Chief Financial Officer Michael Dane explained the fee structure noting the fee should be referred to as a transfer versus a PILOT fee. Mr. Chegwidden provided a brief explanation, as provided through the Texas State Comptroller, regarding changes made to the budget. Mayor Morrison requested the item be brought back in the form of an ordinance with various options to reduce or eliminate the line item fee.

- General capital projects

- Other items as needed

In conclusion, Council suggested conducting further discussion based on their direction to staff regarding the various items.

RECESS

At 3:19 P.M., Mayor Morrison called a recess.

**RECONVENE**

At 3:35 P.M., Council reconvened, and the following business was transacted:

**DISCUSSION AND SEEKING DIRECTION AND APPROVAL OF CITY COUNCIL RELATED TO THE ALLOCATION OF THE \$812,953 CONTINGENCY FUNDS IDENTIFIED IN THE PROPOSED FY 2013/14 BUDGET**

Human Resources Director Lisa Marley presented background information. *A copy of the presentation is part of the Permanent Supplemental Record.*

General discussion was held on the various scenarios presented, hiring procedures in relation to a department's budget, employee's pay off in relation to the department's budget, and possibly utilizing the rainy day fund to fund the health insurance increase. Mayor Morrison suggested Council provide direction for the salary increases and later determine which methodology to use for the health insurance increases.

Motion, to approve Scenario 1 consisting of: accomplishing all Council's requests at 2.5% level at \$348,474; 2.5% pay increases to all Fire and non-civil service under \$45,000 at \$359,760; and, \$490 pay increases to all Fire and non-civil service over \$45,000; as presented, was made by Councilmember Silvas and seconded by Councilmember Vardeman.

Police Chief Tim Vasquez expressed his concern regarding the proposed increased insurance premiums and whether the pay increase would be comparable to the insurance increase noting the increases may negatively affecting an employee's overall salary.

Ms. Marley further noted as the City continues the Wellness plan and continues to receive positive results in becoming a healthier organization, the City may experience lower premiums in the future.

A vote was taken on the motion on the floor. Motion carried unanimously.

**APPROVAL OF THE FY 2013/14 EMPLOYEE HOLIDAY SCHEDULE AND ANY ACTION IN CONNECTION THERETO**

Human Resources Director Lisa Marley presented background information.

Motion, to approve the schedule and utilize fiscal year versus calendar year, as presented, was made by Councilmember Silvas and seconded by Councilmember Vardeman. Motion carried unanimously.

**DISCUSSION AND SEEKING DIRECTION OF CITY COUNCIL RELATED TO THE WATERING OF CITY PARKS, SPORTS FIELDS, SANTA FE GOLF COURSE, AND FAIRMOUNT CEMETERY**

Horticulturist Roger Havlak presented background information. *A copy of the presentation is part of the Permanent Supplemental Record.*

General discussion was held on continuing to irrigate City sites that are currently receiving supplemental irrigation; increasing or decreasing the overall number of irrigated sites; and should the city enter into Drought Level III, whether to continue irrigating park systems, sports fields, Santa Fe Golf Course, or Fairmount Cemetery. Council suggested approval for a 12 month period, provide further notice by City Council, or designate other areas as City Council feels appropriate. Further discussion was held on the various sites, dead tree removal, maintaining trees, and specified watering areas.

City Manager Daniel Valenzuela suggested staff present options to City Council on possible solutions.

Responding to a question from Council, Water Utilities Director Ricky Dickson stated the City's current water supply is at 15-month water supply level.

**ADOPTION OF A RESOLUTION NOMINATING CANDIDATE(S) ELIGIBLE FOR A POSITION ON THE BOARD OF DIRECTORS OF THE TOM GREEN COUNTY APPRAISAL DISTRICT FOR THE 2014 - 2015 TERM OF OFFICE**

City Clerk Alicia Ramirez presented background information.

Mayor Morrison suggested nominating the existing members: John Begnaud, John Conn, Russell DeVore, Louis Gomez, and Bob Reeves. Council concurred.

Motion, to adopt the Resolution, as presented, was made by Councilmember Vardeman and seconded by Councilmember Farmer. Motion carried unanimously.

POSTPONEMENT OF APPROVAL OF AN AMENDMENT TO VISION PLAN COMPONENT OF THE SAN ANGELO COMPREHENSIVE PLAN UPDATE ADOPTED IN 2009, SPECIFICALLY PROPERTIES LOCATED SOUTH FROM THE INTERSECTION OF GRAND CANAL ROAD AND US HIGHWAY 277, SOUTH TO THE CITY LIMIT LINE, AND PROPERTIES LOCATED JUST EAST OF THE CITY LIMITS LINE, BUT OUTSIDE THE CITY LIMITS IN SOUTHERN SAN ANGELO

Mayor Morrison suggested postponing the item to a future meeting. Council concurred.

PRESENTATION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC) CALENDAR YEAR 2012 ANNUAL REPORT AND DISCUSSION AND POSSIBLE ACTION REGARDING GOALS, OBJECTIVES, AND PROCEDURES FOR COSADC

Mayor Morrison suggested postponing the item to a future meeting. Council concurred.

POSTPONEMENT OF A FIRST PUBLIC HEARING AND INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 12 PERTAINING TO MOBILE HOME REGULATIONS OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO

AN ORDINANCE AMENDING CHAPTER 12 "PLANNING & DEVELOPMENT", ARTICLE 12.500 "MOBILE HOME REGULATIONS", OF THE SAN ANGELO CODE OF ORDINANCES BY AMENDING THE TITLE OF ARTICLE 12.500 TO READ, "MANUFACTURED HOME AND MOBILE HOME REGULATIONS"; RESTATING SECTION 12.503 "SKIRTING" BY ADDING MANUFACTURED HOMES AND PROVIDING AN EXCEPTION FOR LICENSED DEALERSHIPS AND RETAILERS; AMENDING SECTION 12.504 "TEMPORARY MOBILE HOME INSTALLATION" BY AMENDING THE SECTION TITLE TO "TEMPORARY MANUFACTURED HOME, MOBILE HOME OR BUILDING INSTALLATION", AND RESTATING SUBPARAGRAPHS (a) AND (c) OF SAID SECTION TO REFERENCE MANUFACTURED HOME; PROVIDING FOR SEVERABILITY, PROVIDING FOR A PENALTY AND PROVIDING FOR AN EFFECTIVE DATE

Mayor Morrison suggested postponing the item to a future meeting. Council concurred.

**FOLLOW UP AND ADMINISTRATIVE ISSUES**

CONSIDERATION OF MATTERS DISCUSSED IN EXECUTIVE/CLOSED SESSION

Mayor Morrison referred to West Texas Water Partnership noting Council has acted on Phase I and Council will determine further negotiation with the group based on their meeting tomorrow; specifically if San Angelo is to remain in the partnership and to make sure San Angelo is receiving and contributing their one third.

APPROVAL OF VARIOUS BOARD NOMINATIONS BY COUNCIL AND DESIGNATED COUNCILMEMBERS:

Public Art Commission: Lori Francks (SMD4) to a 1<sup>st</sup> full term April 2015

Zoning Board of Adjustment: Louis Rork (SMD5) to an unexpired term January 2014

Motion, to approve various board nominations by Council and designated Councilmembers, was made by Councilmember Farmer and seconded by Councilmember Silvas. Motion carried unanimously.

APPROVAL OF MAYOR MORRISON'S NOMINATION AND APPOINTMENT TO SERVE ON THE PORTS-TO-PLAINS TRADE CORRIDOR COALITION

Mayor Morrison informed of the quarterly meeting held in October 2013. Offering Councilmember Farmer the opportunity to step down, Ms. Farmer chose not to step down and wished to complete her two year term.

Motion, to remove Councilmember Farmer and nominate and appoint Mayor Morrison as the Board of Director representative, was made by Councilmember Silvas and seconded by Councilmember Fleming. AYE: Morrison, Fleming, Self, Silvas, and Vardeman. NAY: Wardlaw and Farmer. Motion carried 4-2.

ANNOUNCEMENTS AND CONSIDERATION OF FUTURE AGENDA ITEMS

City Manager Daniel Valenzuela distributed the proposed October 1, 2013 Agenda and solicited Council comments and suggestions.

Councilmember Wardlaw requested an update on the following budget items: Worker's compensation, vehicle allowance, and art council increase.

Councilmember Fleming requested an update on the October 1 meeting regarding the Red Arroyo Project, including all presenters.

Mayor Morrison requested an Executive Session item regarding the policy of the City Council pertaining to performing duties, including the Code of Conduct, and discussion regarding breach of conduct and ethics.

Mayor Morrison suggested conducting a Special Meeting next Tuesday, September 24, 2013, to discuss and approve the postponed items from today's meeting. Council concurred.

The Regular City Council meeting on Tuesday, October 15, 2013, will be held at 5:30 P.M.

ADJOURNMENT

Motion, to adjourn, was made by Councilmember Vardeman and seconded by Councilmember Silvas. Motion carried unanimously.

The meeting adjourned at 4:41 P.M.

THE CITY OF SAN ANGELO

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Dwain Morrison, Mayor

ATTEST:

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Alicia Ramirez, City Clerk

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplemental Minute Record. Details on Council meetings may be obtained from the City Clerk's Office or a video of the entire meeting may be purchased from the Public Information Officer at 481-2727. (Portions of the Supplemental Minute Record video tape recording may be distorted due to equipment malfunction or other uncontrollable factors.)

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