



City of Hutto

Minutes

City Council Meeting

Thursday, August 4, 2022 at 7:00 PM

City Council Chambers

1. CALL SESSION TO ORDER

The meeting was called to order by Mayor Mike Snyder at 7:00 PM.

2. ROLL CALL

Members of City Council present were Mayor Mike Snyder, Councilmember Robin Sutton, Councilmember Dan Thornton, Councilmember Randal Clark, Mayor Pro Tem Peter Gordon, Councilmember Krystal Kinsey, and Councilmember Amberley Kolar.

Members of staff that were present were Isaac Turner Interim City Manager, James Earp, City Manager, Matt Wojnowski, Assistant City Manager, Angie Rios, CFO, Wade Benton, Consultant, Dottie Palumbo, Legal Counsel, George Hyde, Legal Counsel, Ashley Bailey, Executive Director of Development Services, Bob Farley, Executive Director, Economic and Development, Angela Walton, City Secretary; Gracie Perez, Assistant City Secretary

3. INVOCATION

Invocation was led by Isaac Turner, Interim City Manager

4. PLEDGE OF ALLEGIANCE

5. SWEARING IN – *New City Manager James R. Earp was sworn in by City Secretary Angela Walton*

6. CITY MANAGER COMMENTS

Isaac Turner: Summary of Accomplishments: Mr. Turner provided an overview of his accomplishments, which included strategic visioning, Jonah 2018 Amended Water Agreement, Water and Wastewater improvements, personnel, roads, infrastructure and economic development matters.

7. CITY COUNCIL COMMENTS

6.1 General Comments from City Council

Mayor Snyder:

Mayor Snyder read a proclamation for Interim City Manager Isaac Turner.

Mayor Pro Tem Gordon:

Future agenda item: Drought contingency plan. I have been looking at our drought contingency plan comparing it with surrounding plans. I was talking to City Manager Turner and ours hasn't been reviewed for some time, several years. I think it's time to look at it to see where it's at. If it's too strict, not strict enough, or if it needs to be modified at all. I would like for us to look that over and see if we want to make

any changes to it.

Councilmember Sutton:

Out of all the accomplishments that Interim City Manager Turner had done he had a task of herding council that were like cats going in different directions and that was a result of what we had been through and I just want to say the grace and maturity that he's brought to us in implementing our meetings every week to get together and talk about the agenda and trying to expedite our meetings is something that we needed and to get the Council to focus on what's really important and that's serving the citizens and the community of Hutto. Thank you for going downtown and getting the salt water taffy, meeting businesses down there and responding to concerns about trip hazards that are out there on the sidewalks and some people might think that's small but it's big.

Councilmember Thornton:

I want to thank Isaac as well. Some people in an interim capacity come in and just keep the seat warm but you looked to the future and have done everything with the future of Hutto in mind, setting us up for five years, ten years, 20 years down the road. Not a lot of people do that in an interim position. You helped get us organized and we still have plenty of work to do but we're in much better shape and you will absolutely be missed.

Councilmember Clark:

You weren't a place holder. As I said, it's your farewell but I can't imagine having a better person in place when I got elected in May to come in and be brought on board with how we interact with the city staff and the governance of the town and your wisdom and knowledge and bringing me up to speed on how to be a council member I think has been invaluable and I can't thank you enough for that.

We're a little over a week-and-a-half away from school starting so there will be additional traffic flow issues as people take their kids the first week of school and stuff so everyone be patient. It will get better; as a 16-year resident, I have seen it every year so I wanted to put that out there because our next council meeting will be two days into the school year so looking forward to that. Thank you.

Mayor Pro Tem Gordon:

I just want to echo what everyone else has said. You said you wanted us to miss you when you were gone and you wanted to accomplish things here and I told you privately done and done. I think I saw both of those. I'm grateful for your patience with me. I send a lot of e-mails, maybe more than anyone else, maybe not. Some at midnight, 1:00 in the morning.

I told Isaac early on, don't reply, I'm not expecting a reply at that time but this is when I do my work so you have done wonderful work and we're grateful for that.

Councilmember Kinsey:

I already told you it's not good-bye, no, but it's been such an honest, genuine pleasure, truly. And then the other events kind of going off of what Councilmember Clark said but the Back to School drive at the Hutto Memorial Stadium is this Saturday, 9:00 to 11:00. On August 20th, they are going to have a celebration in honor of the late Pastor Fred B. Warren. It's open to all, it's supposed to be singing and dancing and music and food and a really, really good time so August 20th from 10:00 to 4:00 and I would like us to add a future agenda item to revisit those Hutto downtown improvements. From my understanding, I believe Ms. Robich had bids and all the numbers but it was a semantic error on the agenda. It just said discussion but possible action was left off so I don't want us to forget about that and if this could be looked at in conjunction with the EDC and I can't necessarily make you guys on the EDC talk about that but that would be great in conjunction with those businesses downtown.

We have a lot of great growth coming but I don't have the downtown Hutto that everyone up here says that they love so dearly to fall through the cracks so I do want that item to come back.

We received an e-mail that was the summary of the Hutto litigation on July 21st. I would like to motion to release that document. I'm not sure if this is the right time to do that.

Councilmember Kolar:

I just want to thank you, Isaac, for your hard work. I have been here for two-and-a-half months and previous that I saw your work in action. Of course we have our City Secretary, a new Police Chief. You kind of created the solid city staff, brought them together and create add solid group of staff so I want to thank you for working hard for informing me and getting me up to speed with things that are going on in the city as a new councilmember. I really appreciate you and I appreciate your professionalism. you're always professional. I don't know how you hold it together so well, but I do appreciate that and also your passion. His passion is like fire. I can see it. Maybe some people can't see it but the passion, he was meant for this to be a City Manager and we had a great interim City Manager and I want to thank you so much for your hard work.

Mayor Snyder:

Isaac, I second what everybody else has said and as a person who lives in and used to work in Taylor, you wouldn't know it because every day you were here fighting for Hutto. Maybe if you landed a company here and not in Taylor, maybe you will hear about it when you go back. I don't think this is the end, just a new chapter.

Councilmember Sutton:

If I may say one more thing, James, I'm so excited for you coming on board. I'm looking forward to it. Isaac did a lot of great things. Meeting you today first time in person, your personality I think we're going to get along great. I just think that you have the drive and determination and the experience that's going to move us forward and overcome our past and just make Hutto amazing and I'm super excited you're here and I look forward to that shootout at Henrietta.

6.2 City Council Liaison Reports

Councilmember Sutton:

I have one from Planning and Zoning. There were a couple of items that were discussed. I think the biggest one is coming back for three months is the hotel that's going to come over here by the day care. They did make accommodations and met staff approval for the hotel.

I think when it comes to us, our concern is going to be the height at that point. Other than that, they turned the building, they accommodated the needs of the residential behind them and actually it brought in one entrance as opposed to two that they want to do with all the work we're going to have to do, I think this was a good progress on their part but I think when it comes to us, we're going to have -- I know I myself will have concerns with the height. But that's pretty much all.

Mayor Pro Tem Gordon:

Just a brief one from Historic Preservation Commission. They met this past week and the new Chair led her first meeting. They approved a couple of -- I think one home renovation and one home new build. I was impressed with the detail they went into as far as making sure they meet all their requirements and criteria for Old Town so I thought that was great and they have expressed interest about possibly sending a representative or two to the 2023 conference on preserving historic Texas. I will get more details on that if there is any cost associated with that, I will get that submitted and see if we can set aside a budget for them to participate in that but it's next year, next February.

Mayor Snyder:

We have the Emergency Preparedness Task Force. We had a test on the Cluster Duck system, Brian and Charlie of Project AI came in from New York. I appreciate Chief Yarbrough and Lt. Spraggins. They were there along with board members to go along with that. They're going to come up at the next meeting, I believe, to present what they think is going on from a communications standpoint.

From the EDC - we just had a meeting for the EDC.

The EDC passed a resolution in support of Project E, a grocery store on the north side of town and we had somewhat of an update on our litigation, pending litigation with BCL.

To remind everybody, that was the bank hired by the EDC to give small business loans out to people at first to improve the downtown and then it morphed into for Covid relief and they came back for more money in City Council. About a year-and-a-half ago, they started questioning where the money was going. They couldn't provide any information. They said it was confidential. So what I did at the EDC, it's the first time I used as the Mayor but we have some major problems with BCL so I'm going to tell you what I told everybody there, for the public, I gave a warning as the Mayor of Hutto. I gave a warning to all Texas municipalities, every city in the state of Texas that in my mind, BCL is a Ponzi scheme. They've participated and loaned out \$250,000 and we cannot get a promissory note, a signature page for the loan. We asked and asked, attempted litigation and we get bits and pieces and empty files and we're still piecing together. To date the EDC spent \$38,000 to try to get an accounting.

It hit our audit this past year and so we're trying to do everything we can to make our audit be as flawless as possible and figure out where a quarter million dollars of taxpayer money went. We don't even know if loans are being collected at this point. They were passing out excel spreadsheet that is I said were of a grade school quality and that's not to dismiss grade schoolers but your bank, if the beginning balance did not match up with the ending balance the month before you question your bank and so we did that and we would get more statements that is were different than the statements we already had and so it's nothing like I have ever seen before. I didn't mind when they were yelling at me when Rosa, the CEO, would yell at me during a Council meeting, that's expected but there were issues with them yelling at staff when the staff was asking for the basic information you would expect from any financial institution.

They would get unprofessional and in my mind they prey on small businesses because they go to cities, talk about how they're there to help small businesses and then what they're really doing is something completely different.

We don't even know who all got the loans and some who got part of the loans were not part of the original program.

So I gave that disclaimer at the EDC and thought it would be appropriate to share with the council what I said in case it comes back to them. outside of that, that's all we have on EDC that we can talk about in public. We have the update to our charter that has to come still for approval, right? The bylaws, we'll see that coming up in a meeting or two.

8. PUBLIC COMMENT

9. CONSENT AGENDA ITEMS

- 9.1. Consideration and possible action on approving the July 7, 2022 and July 21, 2022 City Council meeting minutes.
- 9.2. Discussion and possible action related to award a construction contract to Dig-Dug Construction in the amount of \$557,631.70 for the construction of sidewalk and associated driveway modifications for the Lakeside Estates Sidewalk Project Phase 1. (Wade Benton)
- 9.3. Discussion and possible action related to award a professional services contract with Roadway Asset Services, LLC (RAS) in the amount of \$148,669 for pavement assessment services and

development of a five-year pavement maintenance capital improvement program (CIP). (Wade Benton)

Councilmember Kinsey requested pulling 9.2 to ask questions, which Wade Benton, Engineering Consultant, addressed.

Mayor Snyder requested Request For Qualifications versus Request For Proposals clarification with respect to Item 9.3.

Councilmember Clark moved to approve all consent agenda items, and Councilmember Kinsey seconded. The vote passed 6,1 (Snyder dissenting).

10. OTHER BUSINESS

- 10.1. Consideration and possible action regarding possible appointments, re-appointments and/or removals to City Boards, Commissions, Task Forces, Economic Development Corporations, Local Government Corporations and Tax Increment Reinvestment Zone Boards, City Council Liaisons, and Area Government appointments.

Mayor Pro Tem Gordon reported that no new applications have been received. He also reported there are three openings on Accessibility Task Force, two openings on Parks Advisory Board, five on Zoning Board of Adjustment, and Diversity & Inclusion Commission has one opening.

- 10.2. Consideration and possible action regarding traffic plan and possible opening of Main Street access to Durango Farms Subdivision (Matt Wojnowski)

There were two public comments on this item.

Matt Wojnowski, Assistant City Manager, provided the report on this item.

Councilmember Sutton recused herself by affidavit from the vote.

Councilmember Kinsey made the motion to table this item until approve this item until the September 15 City Council meeting, there was no second, motion failed.

Councilmember Kolar made a motion approve as presented (opening Main Street), there was no second, motion failed.

Mayor Pro Tem Gordon made the motion to open both Main and East Street with a traffic study to be completed and brought to the September 15 City Council meeting, and Councilmember Kolar seconded. Councilmember Clark made an amendment to the motion that this project is left with the City Manager and it will only be back to Council if issues arise needing City Council attention. City Manager Earp requested time to meet with Engineering staff to develop criteria to submit to City Council. Vote failed 3,3 (Kinsey,

Thornton, and Snyder dissenting, Sutton recused).

Councilmember Thornton made a motion to leave as is, allow City Manager Earp to develop a mitigation plan to be provided to City Council no later than September 15, and Councilmember Kinsey seconded. Vote passed 6,0 (Sutton recused).

- 10.3. Discuss and receive the proposed budget for fiscal year 2022-2023 in accordance with Section 8.02 of the Hutto City Charter (Angie Rios)

Angie Rios, Chief Financial Officer, provided the overview of the proposed budget.

Councilmember Clark made a motion to accept the proposed budget for posting for public inspection, and Councilmember Kolar seconded the vote. The vote passed 6,1 (Snyder dissenting).

- 10.4 Presentation and possible action on a Capital Improvement Financing Plan (Angie Rios)

Andre Ayala, Managing Director of Hilltop Securities, gave a presentation on the Capital Improvement Financing Plan. A discussion ensued prior to a brief recess being called at 10:43 pm. City Council reconvened at 11:06 pm.

Interim City Manager Turner recommended that staff comes back to Council in two weeks on O & M and the overall tax rates. He also recommended moving forward with the Utility System Improvement part of the plan.

No action was taken.

11. RESOLUTIONS

- 11.1. Consideration and possible action regarding Resolution No. R-2022-067 authorizing proceeding with the issuance of Certificates of Obligation for water and wastewater projects; directing the publication of notice of intent to issue City of Hutto, Texas Combination Tax and Revenue Certificates of Obligation; and providing for other matters incident and related to approving and authorizing publication of notice of intention to issue Certificates of Obligation. (Angie Rios)

Mayor Pro Tem Gordon made a motion to approve Resolution No. R-2022-067, and Councilmember Kinsey seconded. The vote passed 7,0.

- 11.2. Consideration and possible action directing staff to provide notice of intent to issue General Obligation Bonds, Series 2022. (Angie Rios)

This item was moved to the August 18 City Council meeting.

12. EXECUTIVE SESSION – 11:27 pm

- 12.1. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Pending Litigation, Potential Claims and City Council Legal Requests.

- 12.2. Receive legal advice pursuant to Texas Government Code Section 551.071 and deliberate regarding economic development pursuant to Texas Government Code Section 551.087 to deliberate the offer of a financial or other incentive to business prospects; including deliberations regarding the purchase, sale, exchange or value of real property pursuant to Texas Government Code Section 551.072.
- 12.3. Pursuant to Sections 551.087 (Economic Development), 551.071 (Legal Consultation) and 551.072 (Real Property) in connection with the Hutto Economic Development Corporation's Project E and a Cottonwood Development Corporation approved purchase and sale agreement to acquire from the city, and then convey to an economic development prospect, approximately 41 acres of land previously acquired for the Perfect Game project located in the area of Hwy. 79 and CR 132, in Hutto, Texas.
- 12.4. Receive legal advice pursuant to Texas Government Code Section 551.071 and deliberate pursuant to Texas Government Code Sections 551.087 and 551.072 regarding economic development negotiations in and around the Megasite and consideration and conveyance of assignment and assumption agreements conveying Option to Purchase Real Property Agreements to promote economic development and receive legal advice pursuant to Texas Government Code Section 551.071 relating to special district financing, including but not limited to the creation of a Tax Increment Reinvestment Zone in and around the Megasite.
- 12.5. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to CoOp Development Agreements and related agreements; Durango Farms Amended and Restated Development Agreement as amended and Butler Loan Agreement with Cottonwood Local Government Corporation.
- 12.6. Executive Session in accordance with Texas Open Meetings Act Section 551.074, Personnel Matters: Closed Meeting to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
- City Manager, Interim City Manager relating to transition of duties and assessment.

13. ACTION RELATIVE TO EXECUTIVE SESSION- 2:17 am

- 13.1. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Pending Litigation, Potential Claims and City Council Legal Requests.

Councilmember Kinsey made a motion to approve the release of the litigation summary to the public, and Councilmember Sutton seconded. The vote passed 7,0.

- 13.2. Consideration and possible action related to legal advice received pursuant to Texas Government Code Section 551.071 and deliberations regarding economic development pursuant to Texas Government Code Section 551.087 to deliberate the offer of a financial or other incentive to business prospects; including deliberations regarding the purchase, sale, exchange or value of real property pursuant to Texas Government Code Section 551.072. *No action.*
- 13.3. Discuss and consider action to: approve the city's contribution of approx. 41 acres of land (previously purchased in support of the Perfect Game project) to the Cottonwood Development Corporation for its use in connection with Project E; consent to and approve the Cottonwood Development Corporation's action approving a Purchase and Sale Agreement to sell the approx. 41 acres of land in the area of Hwy. 79 and CR 132, in Hutto, Texas, to an economic development prospect, in connection with the economic development project, Project E. and authorize the City Manager to execute all conveyance deeds and related closing documents

which have been approved by the City Council and Cottonwood Development Corporation to close the conveyance of the property to the Cottonwood Development Corporation and close the subsequent sale to the prospect, upon all the conditions necessary being met, as provided by the Purchase and Sale Agreement.

Mayor Pro Tem Gordon made a motion to approve Resolution No. R-2022-072 with amendments for the Purchase and Sale agreement, and Councilmember Clark seconded. Vote passed 5,2 (Kolar and Sutton dissenting).

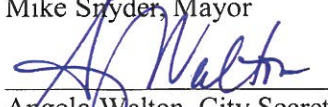
- 13.4. Consideration and possible action relating to legal advice received pursuant to Texas Government Code Section 551.071 and deliberate pursuant to Texas Government Code Sections 551.087 and 551.072 regarding economic development negotiations in and around the Megasite and consideration and conveyance of assignment and assumption agreements conveying Option to Purchase Real Property Agreements to promote economic development and receive legal advice pursuant to Texas Government Code Section 551.071 relating to special district financing, including but not limited to the creation of a Tax Increment Reinvestment Zone in and around the Megasite. *No action.*
- 13.5. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Co-Op Development Agreements and related agreements; Durango Farms Amended and Restated Development Agreement as amended and Butler Loan Agreement with Cottonwood Local Government Corporation. *No action.*
- 13.6. Consideration and possible action on Executive Session in accordance with Texas Open Meetings Act Section 551.074, Personnel Matters: Closed Meeting to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee - City Manager, Interim City Manager relating to transition of duties and assessment. *No action.*

14. ADJOURNMENT

The meeting was adjourned at 2:24 am.



Mike Snyder, Mayor



Angela Walton, City Secretary

