

CITY OF SANDY OAKS, TEXAS
REGULAR CITY COUNCIL MEETING MINUTES
August 9, 2018

Agenda Item 1: Call to order and quorum call. The meeting was called to order by Mayor Tanguma at 6:31 p.m. at the Braunig Lake RV Park Lakeside Lodge. Present for the meeting were Aldermen Thomas Repino, Doug Tomasini, Anthony Garcia, Charles Fillinger, and David Tremblay. Also, in attendance were City Attorney Cassandra Ortiz, former City Clerk Charlotte Rabe and City Clerk Katherine Yelton.

Agenda Item 2: Pledge of Allegiance. Mayor Tanguma led the Pledge of Allegiance.

Agenda Item 3: Citizens to be heard. No citizens signed up to speak.

Agenda Item 4: Financial/Budget Report. Former City Clerk Rabe reported the July beginning balance of \$607,074.19, Checks and payments of \$16,162.87, deposits \$10,495.25, uncleared transactions of \$1,314.00, leaving an ending balance of \$632,320.37.

Agenda Item 5: Updates/Possible Discussion.

Audit Report - Mr. Wayne Beyer, C.P.A., presented the council with the Annual Financial Report for the Year Ended September 30, 2016. Mr. Beyer began by explaining the purpose of an audit and referred the council to pages one and two of the audit report, which explained the responsibilities of an auditor and that his audit was conducted in accordance with accounting principles generally accepted in the United States of America. Mr. Beyer proceeded to a paragraph on page two titled Basis for Qualified Opinion (see report). Mr. Beyer stated these are not major departures and that they can be quickly remedied by adopting policies in future council meetings. The council was then referred to page fifteen of the report where Mr. Beyer explained the four columns and stated the City is underbudget by \$6,020.00 in total revenues, the property taxes came in underbudget by \$17,729.00 and sales taxes underbudget by \$10,445.00, numbers with brackets are unfavorable (see report). Moving on to Expenditures, Mr. Beyer stated everything came in underbudget except for Park spending, which was overbudget by \$54.00 and that total expenditures came in underbudget by \$62,052.00. Mr. Beyer said that a way for a city to build equity is by adopting a good budget and staying within that budget, which he said he could tell, with this audit, that a lot of attention was paid to the budget. Mr. Beyer said he's asked often what an acceptable fund balance is and stated in his view that you can never have enough in your ending fund balance. He then referred the council to the third column, two lines from the bottom and stated that adding the Net Changes in Fund Balances (or excess of revenue from previous year) with the Beginning Fund Balance leaves the Ending Fund Balance at \$209,232.00. When comparing that to the expenditures of the previous year, this represents about 90%, which means there is a ten to eleven-month reserve in the ending fund balance. That concluded the report and Mr. Beyer then referred the council to the two inserts included with the report. The first insert mentioned the auditor's finding of the City Secretary being paid as a contract laborer. He said the IRS may require the City go back and set her up as a city employee. Charlotte informed Mr. Beyer that this has already been done. His other finding was that the City does not have a Certified Investment Officer. He asked if the City has that now and was informed Alderman Repino is now the City's Investment Officer. His last finding regarding Vendor List was that there were no addresses listed for several vendors and recommended that the list be updated and changes made as they occur to keep the list current at all times. The next handout Mr. Beyer referred to mentioned Administrative and that the City did not have a number of policies in place (see report), that the City did not have copies of four invoices that he selected for testing, to make sure copies of all invoices are kept, and that the City did not have copies of cancelled checks that were selected for testing dated January through May 2016, but was common for cities that are just starting out (this audit represented the City's second year of operation). The last part of the second handout was Segregation of Duties, which will always be in reports and he said was a significant deficiency. He said there is no distinction between a city of our size and the city of San Antonio. We are expected to have the same kind of staff on board. Alderman Tomasini asked how many small cities are actually able to do that. Mr. Beyer explained this expectation came about because of Enron and that in the last fifteen to twenty years, he's seen one city able to tackle the day to day matters, but stopped doing so after two years because it was too

overwhelming. Mr. Beyer mentioned a part time outside person to do internal audits would take care of the expectations. This concluded Mr. Beyer's presentation. Alderman Tomasini asked the auditor if he had a list of the cancelled checks selected for testing. Mr. Beyer said the list is at the office and we just need to call to request the list or come by the office. Alderman Fillinger asked if the information is transferrable by email. He was informed it is. Alderman Fillinger stated he would call the auditor's office the following week. Alderman Fillinger also asked when we can look forward to hearing about our 2016-2017 audit. Mr. Beyer said if the information could be given to him in September, he could have the audit done in October.

Municipal Building – Mayor Tanguma reported that the internet has been installed in the building and lighting installed in the parking lot. She stated the building is basically ready to go and then stated that would later be talked about during an agenda item.

Retrofit Marshal Vehicle – Charlotte Rabe reported that she has an appointment for August 14 to take the vehicle in, but is unsure how long it will take.

City Engineer's Zoning Presentation – No representative present

Agenda Item 6: Consent Agenda. a) Approval of the minutes from the Special City Council Meeting, June 28, 2018. b) Discuss, consider and/or possible action on approval for payment of invoice no. 1171 from Kassahn & Ortiz, P.C. for City attorney services in June (not to exceed \$8,164.00). After no discussion, Alderman Fillinger motioned to approve the consent agenda, which was seconded by Alderman Repino and the motion was passed unanimously. Prior to moving on to old business and since a guest was in the audience, Mayor Tanguma moved on to Agenda Item 11.

Agenda Item 11: Discuss and/or possible action approving Verizon phones and related costs. Mayor Tanguma introduced the Verizon representative, Henry Araiza, who was invited to answer any questions. Mr. Araiza suggested going under the State of Texas' DIR (Department of Information Resource) contract, who negotiates the prices and then is open to all entities that fall under the State's umbrella. Mr. Araiza explained the benefits and services they provide. Alderman Tremblay asked if Mr. Araiza could come to our municipal building to test the Verizon service. Mr. Araiza also mentioned that they will provide a demo phone and jetpack to use for thirty days before deciding. He also talked about desk phones and said he would bring one with him to test in the building. Alderman Tremblay motioned to do conduct a test on the Verizon equipment for thirty days, after which the results will be brought forth to the council for further discussion and/or action. The motion was seconded by Alderman Repino and passed unanimously. Mayor Tanguma moved on to Old Business Agenda Item 9.

Old Business

Agenda Item 9: Discuss and/or possible action approving TML benefits package (TML Form). Guest Bret Martinets from M&S Engineering said he spoke with TML and it was confirmed that the City must pick one of the three plans proposed in the previous month's meeting to offer to all FTE. It was also confirmed that the City can offer the amount of life insurance it chooses (i.e. one year's annual salary). Mr. Martinets answered additional questions to clarify the differences in the three medical plans the city can chose from and provided his opinion that the third plan is generous, which offers the employee ten percent more coverage for just a few dollars more a month. Alderman Tremblay's shared his thoughts that to attract qualified employees, the City should go with the better plan of the three and asked about the monthly premium cost, which Mr. Martinets said would be \$323.42 multiplied by whatever percent the City chooses to cover. Mr. Martinets confirmed an additional question that the coverage subsidized by the City would be for the employee only, if that's how the City sets up the plan. The employee can add family members and pay the entire premium amount out of pocket. It was mentioned that dental and vision insurance would be offered, but not subsidized by the City. After a few more questions regarding life insurance, Alderman Fillinger motioned that the City adopt Plan P85-250-30-A \$30 OV health insurance with the City covering sixty-five percent of the cost, offer one-year's base salary life insurance rounded up to the next \$1000, the employee pay one hundred percent of any additional coverage they sign up for, and enter into an interlocal agreement with TML. The motion was seconded by Alderman Garcia seconded and passed unanimously.

Agenda Item 7: Discuss and/or possible action on implementing mandatory Citywide residential trash pickup and discuss collection of trash collection fee. Pulled for next month's meeting (Alderman Tremblay still working out the details)

Agenda Item 8: Discuss and/or possible action on approval of request to Texas Department of Transportation for placement of a no parking sign at the Valero at 3702 Waterwood Pass Drive. Per Alderman Tremblay, TX DOT is requesting more information as to where the sign will be installed. He stated that whatever the City agreed on would be forwarded to TX DOT. Alderman Tremblay motioned that the signs from Screen Impressions (pictures provided to council) be approved and move forward with having them installed. Motion was seconded by Alderman Fillinger and passed unanimously.

Agenda Item 10: Discuss and/or possible action on replacing the existing City web site provider from GoDaddy to another company. Mayor Tanguma provided some prices she received from GoDaddy and read a printed email from CJ Walker. Alderman Tomasini shared information sent from GoDaddy and their recommendation that the City move to Office 365. Alderman Tremblay motioned that Alderman Tomasini take the lead and contact GoDaddy for their costs and if the City can be migrated to Office 365 prior to our current subscription deadline. The motion was seconded by Alderman Repino and passed unanimously.

Agenda Item 12: Discuss and/or possible action on approving funding for repair of the Island/Rock Entrance on Waterwood Pass, installation of protective barrier poles, and replacement of the "Waterwood" lettering sign with lettering that will read "Sandy Oaks". Alderman Tremblay said the quote provided in last month's council meeting was for only one set of lettering and made a motion to move an additional \$1,900.00 for Sandy Oaks lettering. Seconded by Alderman Garcia and passed unanimously.

New Business

Agenda Item 13: Discuss and/or possible action approving City's hiring package. Pulled due to missing policies that attorney is working on.

Agenda Item 14: Discuss and/or possible action on approving a payroll service. Katherine Yelton provided a summary of quotes from three different payroll companies. Mayor Tanguma asked if Katherine had any recommendations based on her conversations with the companies. Katherine's stated she would recommend My HR Consulting. Alderman Tomasini asked if there is an annual or month-to-month contract and Alderman Repino asked for references. Katherine stated she would gather additional information and come back to the council. Mayor Tanguma tabled the item until the Budget Meeting on August 29, 2018.

Agenda Item 15: Discuss and/or possible action on approving additional City clerk hours for setting up the City clerk's position and related activities. Alderman Tremblay said he would like to see an increase in hours not to exceed thirty hours. Mayor Tanguma said Charlotte Rabe would probably be on the payroll through the end of the month.

Agenda Item 16: Discuss and/or possible action on approving physical exams for new hires. Per City Attorney Casandra Ortiz, clarification is needed on what type of exams; physical, medical, agility etc. and that the City needs to be careful of discrimination. Ms. Ortiz went on to explain that there is a difference between physical and agility exams, but that medical exam requirements must apply to all employees where a physical or agility exam can be job specific. Alderman Tomasini mentioned he spoke with a Texas MedClinic representative who said they conduct occupational exams (like for TXDOT). Mayor Tanguma decided to pull this item and place it on the next meeting's agenda.

Agenda Item 17: Discuss and/or possible action approving criminal background checks for new hires. Charlotte Rabe said she was told that there is no cost to the city to conduct criminal background checks. Alderman Tomasini made a motion to approve, which was seconded by Alderman Repino and passed unanimously. After further discussion, Alderman Fillinger made a motion that the council authorize forty hours a week with benefits to start Monday, August 13, 2018. The motion was seconded by Alderman Tremblay and passed unanimously.

Agenda Item 18: Discuss and/or possible action approving a deadline for the candidate for Marshal to formally accept/decline the City's job offer. Alderman Tremblay motioned to place a deadline of fifteen (15) days from the date Jesse Gutierrez receives the City's benefits package for Mr. Gutierrez to accept or decline the City's job offer. Mayor Tanguma said she would deliver the benefits package and job offer to Mr. Gutierrez by August 16 and that she would inform the council of the date it was delivered so that the countdown could begin. The motion was seconded by Alderman Repino and passed unanimously.

Agenda Item 19: Discuss and/or possible action concerning the use of the cubicles in the municipal building. Mayor Tanguma offered to work over the weekend to move the excess cubicles to the maintenance yard. Alderman Fillinger motioned to disassemble the excess cubicles, except one, and place them against a wall in the municipal building until Alderman Tremblay has a chance to inspect the former SAWS property for available storage space. The motion was seconded by Alderman Garcia and passed unanimously.

Agenda Item 20: Discuss and/or possible action approving costs of ramps for park bathrooms. Alderman Tomasini has a cost for ramps, but said he needs an ADA knowledgeable person to ensure we are complying. Alderman Fillinger stated the ADA requirements for sidewalks is very different from the requirements on ramps and offered his advice that the existing sidewalk in front of the bathrooms be leveled up to the bathroom doorframes, as well as replacing the section of sidewalk starting from the parking lot to the bathroom sidewalk. Alderman Tremblay offered to talk to the contractor who is completing the work on the entrance rock wall. Alderman Tomasini made a motion for Alderman Tremblay to proceed with obtaining an estimate, which was seconded by Alderman Fillinger and passed unanimously.

Agenda Item 21: Discuss and/or possible action approving replacement or repair of HVAC units at the municipal building and related costs. Alderman Fillinger shared his thoughts on a recommendation and estimate provided by one company and motioned that he takes charge and contacts another contractor for a second opinion. The motion was seconded by Alderman Garcia and passed unanimously.

Agenda Item 22: Discuss and/or possible action on an Ordinance amending the 2017-2018 budget for municipal purposes, City clerk additional salary hours, bathroom repair expenses, Waterwood Island expenses, City website costs, and Mister Sparky estimated expenses for lighting on park grounds. Alderman Tomasini made a motion to approve the ordinance to move \$6,000.00 from the Marshal's Office; Equipment line item to the Telephone/Telecommunications line item and \$1,900.00 from Marshal's Office; Equipment line item to the Park, City Grounds Projects line item, which was seconded by Alderman Fillinger and passed unanimously.

Agenda Item 23: Discuss and/or possible action regarding position for a Public Works Director and reposting an advertisement for the job position. Mayor Tanguma mentioned Scott Perry declined the City's job offer. Alderman Fillinger motioned that we post the job offer of Public Works Director, without animal control responsibilities, with benefits, and the salary based on experience for three weeks in Wilson County News, one month on the TML website, and on the City's website and Texas Workforce Commission's website until the position is filled. The motion was seconded by Alderman Tomasini and passed unanimously.

Ordinances

Agenda Item 24: Discuss and/or possible action approving an ordinance establishing Municipal Building/City Hall, providing for hours of operation, providing for an opening date, and providing for other action related to the establishment/opening of the Municipal Building/City Hall. Alderman Tremblay suggested signs be placed on the outside bathrooms that they are closed to the public, as well as yellow tape placed around the park to block off certain areas. Alderman Tremblay motioned that an ordinance be approved to open the Municipal Building/City Hall on Monday, August 27, 2018 and the hours of operation be 8:00 a.m. to 5:00 p.m., Monday through Friday, closed 12:00 p.m. to 1:00 p.m. for lunch. The motion was seconded by Alderman Repino and passed unanimously.

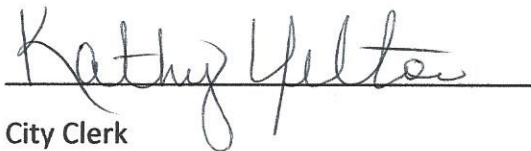
Agenda Item 25: Discuss and/or possible action on an ordinance approving Deed without Warranty conveying property legally described as a 30x50' Surface Tract and Easement to Entex Gas Co., in Waterwood Park Subdivision, Unit 14, with a legal description of CB 5764 P-2A ABS 1235, as described by metes and bounds and referenced as Easement No. 1 in a Deed recorded in Volume 3989, Page(s) 1956-1961, Deed Records of Bexar County, Texas back to Waterwood Development Company. Mayor Tanguma confirmed this is land that the City is giving back to Waterwood Development. Alderman Fillinger made a motion to approve the ordinance as stated on the agenda. The motion was seconded by Alderman Repino and passed unanimously.

Agenda Item 26: Discuss and/or possible action on an Ordinance amending Ordinance 2014-12 regarding the Office of the City Marshal. Alderman Fillinger stated this is an amendment to clear up an error in Paragraph 4A, which states the Texas Local Government Code as §341.02 and should be §341.02.1 and made a motion to amend the ordinance, which was seconded by Alderman Tomasini and passed unanimously.

Agenda Item 27: Adjourn. Alderman Fillinger motioned to adjourn at 8:45 p.m. and was seconded by Alderman Garcia.

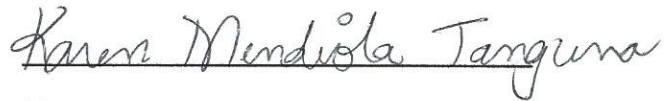
PASSED AND APPROVED ON THIS 13th Day of September, 2018

ATTEST:



City Clerk

Katherine Yelton



Mayor

Karen Mendiola Tanguma