

**CITY OF CASTROVILLE CITY COUNCIL  
REGULAR CALLED COUNCIL MEETING**

**1209 Fiorella  
City Council Chambers**

**April 28, 2020**

**Tuesday**

**3:00 P.M.**

**MINUTES**

In accordance with the order of the Office of the Governor issued on March 16, 2020, the City Council of the City of Castroville conducted a telephone meeting in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19).

The public was able to participate in this meeting by dialing in to with the following telephone number: **1 (866) 899-4679** and **enter access code 989-921-349** when prompted. The public was permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. Written questions or comments were submitted up to two hours before the meeting. A recording of the telephonic meeting will be made and will be available to the public in accordance of the Texas Public Information Act upon request.

**I. CALL TO ORDER**

The meeting was called to order at 3:03 p.m. by Mayor Phyllis Santleben.

**II. ROLL CALL**

Present:

Mayor Pro Tem Herb Dyer

Councilmember Paul Carey

Councilmember Jesse Byars

Councilmember Todd Tschirhart

Leroy Vidales, Interim City Administrator/Finance Director

Debra Howe, City Secretary

Brian Jackson, Police Chief

David Kirkpatrick, Airport Manager

John Gomez, Public Works Director

Others in attendance via telephone:

Mayor Phyllis Santleben

Councilmember Sheena Martinez

Cynthia Trevino, City Attorney, Denton, Navarro, Rocha, Benal and Zech

**III. PLEDGE OF ALLEGIANCE**

**IV. INVOCATION**

Councilmember Paul Carey gave the invocation.

**V. CITIZENS COMMENTS**

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. Written questions or comments may be submitted up to two hours before the meeting. A recording of the telephonic meeting will be made and will be available to the public in accordance of the Texas Public Information Act upon request.

No one telephoned in requesting to speak.

Councilmember Paul Carey read comments submitted by email from Mike Iltis, a resident of District 2. Mr. Iltis stated in his opinion the mayor was not being allowed to fulfill her duties to the citizens who elected her, due to the city council not supporting her ideas and would like to see an ordinance passed to allow this mayor to have more control of what she deems fiscally irresponsible spending by any entity at the city hall. Mr. Iltis felt the people of the city had been asking for changes and they were not being heard.

## **VI. CONSENT AGENDA**

A. Minutes for March 24, 2020 Regular Called Council Meeting.

B. Minutes for April 20, 2020 Special Called Emergency Council Meeting.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Carey to approve the consent agenda. A vote was taken (5:0 all ayes) the motion carried by all present.**

\*Agenda Item VII was moved down and discussed later in the meeting. Agenda Item IX was moved up.

## **IX. Consider and take appropriate action on an Ordinance of the City Council of the City of Castroville, Texas authorizing the execution of an escrow agreement and utility service agreement relating to Alsatian Oaks Development and other matters connected therewith. (Clay Binford, Special Counsel, McCall Parkhurst & Horton)**

Legal Counsel Clay Binford briefed the city council on approving the ordinance executing the escrow agreement and a utility service agreement relating to the Alsatian Oaks Development and future developments. Mr. Binford said Special Project Engineer Russell Persyn was in attendance to speak on the scope of work. Mr. Binford said this was the next step in the development agreement authorizing the two agreements. Mr. Binford said included in the utility agreement was the provision of 100 LUE's set aside from the developer's allotment, if unused for three years, could be used for other tracts requesting provisions of service and the city would guarantee equal capacity to the developer up on request when needed. Also included was the scope of work and cost provided by RESPEC on the Phase I Water System Improvements to provide service to Alsatian Oaks Development. Details of funding the improvements, through the escrow agreement by the developer within the boundaries of the property and offsite improvements for water and wastewater was discussed. Special Project Engineer Russell Persyn briefed the city council on the upcoming testing of the Medina Valley well and the well located on the property of Walmart. Mr. Persyn said he would provide the results to the city council once it was completed. Mr. Persyn said he was working with the Texas Water Development Board as he moved forward with the project. Mayor Pro Tem Dyer said he had read the entire agreement and thanked Mr. Binford, Persyn and the city staff involved with putting this agreement together. He was very pleased to have been a part of the new development project. All other council members were agreeable and had no further questions.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Carey to approve an ordinance of the City Council of the City of Castroville, Texas authorizing the execution of an escrow agreement and utility service agreement relating to Alsatian Oaks**

**Development and other matters connected therewith. A vote was taken (5:0 all ayes) the motion carried by all present.**

**VIII. Consider and take appropriate action on an Ordinance amending Ordinance 2020-007 and extending the declaration of local disaster: establishing rules and regulations for the duration of the disaster; restricting certain activities: establishing penalties for violations.**

Mayor Santleben briefed the city council on the latest governor's order related to the COVID-19 virus. Mayor Santleben said the city did not have the authority to enforce the wearing of face coverings nor assess a fine. Mayor Santleben said they could only stress the importance of wearing facial coverings for protection. Councilmembers agreed to adopt the governor's emergency order #18 and to extend the declaration to May 30, 2020 with the current provisions, omitting the requirement of face coverings. **A motion was made by Councilmember Carey and duly seconded by Mayor Pro Tem Dyer to adopt an ordinance amending Ordinance 2020-007 and extending the declaration of local disaster until May 30, 2020: establishing rules and regulations for the duration of the disaster; restricting certain activities: establishing penalties for violations. A vote was taken (5:0 all ayes) the motion carried by all present.**

Mayor Santleben went back to agenda item VII.

**VII. FY19 Annual Audit presentation and acceptance. (Kim Roach, Armstrong, Vaughan & Associates, P.C.)**

Kim Roach of Armstrong, Vaughan and Associates briefed the city council via phone on the FY19 Annual Audit. Ms. Roach said the city received an unmodified (clean) opinion on the budget and commended the staff on being so helpful in the process. Ms. Roach highlighted the different funds stating there were no modifications to make the numbers look good. Ms. Roach said she needed to point out there were significant adjustments made throughout the year but that was very typical. She said in the last few years the city had improved on reducing the number of adjustments. Ms. Roach said the format was different this year in they were showing the city like a business noting capital assets and long term debt. Ms. Roach said what was surprising was the city's liquid assets were approximately 11 million with most cities not having that much cash reserves. Ms. Roach pointed out that the general fund broke even with the utility fund transfers; the Airport was showing a loss but it was attributed to depreciation and amortization; the Enterprise Fund was good. Ms. Roach said in summary the city was in a good financial position. Council was pleased with the report.

**A motion was made by Councilmember Carey and duly seconded by Councilmember Byars to accept the FY19 Annual Audit as presented. A vote was taken (5:0 all ayes) the motion carried by all present.**

**X. Discussion and possible action on a request from owner Joseph Winkler, of Hillside Boutique Hotel to waiver 1<sup>ST</sup> Quarter Hotel Occupancy Tax due to the city on April 20, 2020. (Phyllis Santleben, Mayor)**

Mayor Santleben briefed the city council on receiving the letter provided from Hotel owner Joseph Winkler. Mayor Santleben said, Mr. Winkler was asking the city council to waiver his first quarter

payment of Hotel/Motel taxes. Mayor Santleben was in favor helping the hotel. City Attorney Cynthia Trevino briefed the city council on what was allowed. Ms. Trevino said the owner was required to pay the taxes he had collected to the state and the city. The city council in turn could (1) suspend only the city's 6% portion of the HOT tax for a short time. (2) reduce the city's portion of the HOT Funds for a short time, or (3) set up a grant or loan plan wherein HOT taxes are used to fund the grant/loan. Ms. Trevino said this would be available for all businesses that paid in HOT taxes to the city. Councilmember Byars said the taxes had already been collected for the first quarter and the owner should have set aside the monies. Councilmembers Martinez was in favor of the grant program. Mayor Pro Tem Dyer felt the city would need to look at the issues in the next few months because of the businesses being closed down due to the Governor's executive order. Mr. Dyer said the hotel was a big contributor to the HOT Tax fund. Councilmember Byars was in favor of the grant program but they all had to submit their quarterly payments, and then request the reimbursement of funds. City Attorney Trevino said staff could bring back information on how it would affect the city to help the council to decide between the options.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Carey to grant HOT taxpayers a reimbursement equal to their first quarter payment. A vote was taken (5:0 all ayes) the motion carried by all present.**

**XI. Discussion and take appropriate action on pending Alsace Avenue Project. (Devin Fredrickson, Parks and Recreation Director, Streets)**

Parks and Recreation Director Devin Fredrickson briefed the city council on the pending Alsace Avenue project. Mr. Fredrickson said the project had been started by the county through the interlocal agreement but they had left the project due to a misunderstanding. Mr. Fredrickson said the cost to complete the project with a contractor unfinished was \$18,132.25. Councilmember Tschirhart asked if the county would not be helping the city on any other projects. Mayor Santleben said she was going to the commissioners' court to discuss working with the county. Mr. Fredrickson said he had received a call from the county commissioner and they would be meeting in the near future.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Carey to approve the amount not to exceed \$18,132.25 to complete the Alsace Avenue project. A vote was taken (5:0 all ayes) the motion carried by all present.**

**XII. Discussion and take appropriate action on Quarterly Financial Report ending March 31, 2020. (Leroy Vidales, Interim City administrator/Finance Director)**

Interim City Administrator/Finance Director Leroy Vidales briefed the city council on the quarterly financial report ending March 31, 2020. Mr. Vidales said he was concerned with the businesses being shut down due to the COVID-19 pandemic. Mr. Vidales said sales tax collected was up in February, General Fund was at 40% expenditures, Utility Fund at 32% and Airport at 40%. They were all under 50% for the second quarter. Revenues were up in General Fund at 61%, Utility Fund down at 31% due to decrease in fees collected during the fiscal year, and Airport Fund was at 34% down due to rentals and fuel sales being less than anticipated. Mr. Vidales said he would be monitoring the sales tax closely for budgeting purposes.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Tschirhart to approve the Quarterly Financial Report ending March 31, 2020. A vote was taken (5:0 all ayes) the motion carried by all present.**

**XIII. Discussion and take appropriate action on Quarterly Investment Report ending March 31, 2020. (Leroy Vidales, Interim City administrator/Finance Director)**

Interim City Administrator/Finance Director Leroy Vidales briefed the city council on the quarter Financial Report. Mr. Vidales said this was a requirement to provide the city council with a quarterly report on the city investments. Mr. Vidales said the Texas Water Development Funds were in money market accounts with BOK. He would continue to monitor the interest rates and act accordingly.

**A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Tschirhart to approve the Quarterly Financial Report ending March 31, 2020. A vote was taken (5:0 all ayes) the motion carried by all present.**

**XIV. Discussion and take appropriate action to approve the COVID-19 Mitigation Instructions for Castroville with an effective date. (Herb Dyer, Mayor Pro Tem)**

Mayor Pro Tem Dyer briefed the city council on the COVID-19 Mitigation Instructions he was tasked to do by the Mayor. Mr. Dyer said what he was providing was instructions intended to be used by city staff and employees and to inform the public during the COVID-19 pandemic. He said this was not to amend or to place in the emergency management plan, but to be of use in-house. Councilmembers had no questions or anything to add to the document.

**A motion was made by Councilmember Tschirhart and duly seconded by Mayor Pro Tem Dyer to approve the COVID-19 Mitigation Instructions for Castroville with an effective date. A vote was taken (5:0 all ayes) the motion was carried by all present.**

**XV. Discussion and appropriate action on a Resolution reinforcing City Policy on the Mayor's interaction with City Employees. (Herb Dyer, Mayor Pro Tem)**

Mayor Pro Tem Dyer briefed the city council on his resolution reinforcing city policy on the Mayor's interaction with city employees. Mr. Dyer said the councilmembers were informed in December 2019 by a letter signed by several employees on issues with the Mayor involving the Interim City Administrator, City Secretary and city staff. Mr. Dyer felt the issues were still having an adverse effect on staff and wanted council by resolution to reiterate the need for the mayor to abide by the city council policies and procedures as other council members did. Mayor Santleben apologized and said she was terribly sorry and not being there in person, she could not speak to anyone (staff) at that time. Councilmember Carey said the ordinance was very clear on deferring to the City Administrator and he thought the issues had been resolved. Mayor Pro Tem Dyer said after the council was first notified, he thought the situation would be corrected, but he felt it was still a problem and he offered a resolution to let the staff know the city council was behind them and supported them. Councilmember Byars said social media caused alot of the problems. Councilmember Martinez agreed and said the comments on this needed to stop.

**A motion was made by Councilmember Byars and duly seconded by Councilmember Tschirhart to adopt a resolution reinforcing City Policy on the Mayor's interaction with City Employees. A vote was taken (5:0 all ayes) the motion carried by all present.**

**XVI. Discussion on future agenda items**

There were no agenda items submitted.

**XVII. ADJOURN**

Mayor Santleben adjourned the meeting at 5:08 p.m.

Phyllis Santleben  
Mayor

ATTEST:

Debra Howe  
City Secretary

\*Signatures on file