

MINUTES OF REGULAR CITY COUNCIL MEETING
Wednesday, March 2, 2022, at 6:30 p.m.
City Hall, Council Chambers
2610 South Main St., Stafford, TX 77477

1. Call to Order.

Mayor Willis called the Regular City Council Meeting to order at 6:30 p.m. with the following in attendance:

City Council:

Cecil Willis, Mayor
Ken Mathew, Mayor Pro Tem
Alice Chan, Councilmember
Wen Guerra, Councilmember
Don Jones, Councilmember
(arrived at 6:35 p.m.)
Virginia Rosas, Councilmember

City Staff:

Alka Shah, Finance Director
Shanell Garcia, HR Director
Richard Ramirez, Police Chief
Katie Rutherford, Olson & Olson
Art Pertile, Olson & Olson
Bonnie Baiamonte, Acting City Secretary

Others Present:

Patrick Simmons, Whitley Penn LLP

Absent:

Xavier Herrera

2. Executive session as authorized by Chapter 551, Texas Government Code, Section 551.071(1)(A), pending or contemplated litigation; Section 551.071(2), authorized under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. Professional Conduct of the State Bar of Texas, Section 551.074 (1), to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee including Director of Multimedia Communications.

Mayor Willis called the meeting back to order at 7:00 p.m.

3. Pledge of Allegiances.

Councilmember Mathew led the pledge to the American flag, and Mayor Willis led the pledge to the Texas flag.

4. Consideration of appropriate action on items discussed in Executive Session.

Mayor Willis recommended the employment of Camile Scott as Director of Multimedia Communications, the position left vacant after Carolyn Entricht's retirement.

Councilmember Rosas made a motion to approve the employment of Camile Scott as the Director of Multimedia Communications. Councilmember Mathew seconded the motion, and it carried 6 – 0 with all Councilmembers present voting in favor.

Mayor Willis offered congratulations and added that Ms. Scott will start on March 7.

5. Council Reports:

Mayor Willis stated that Mary Ann Smith is not at the meeting but will be monitoring. Also, Dr. Bostic, Superintendent of SMSD, received a prestigious award from the Texas Computer Education Association. Mayor Willis expressed his congratulations and appreciation for all he does to elevate and promote SMSD. Spring Clean-Up will be held on April 23, and Mr. McElrath will assist in the planning. Today, March 2, and 186 years ago, 60 Texans signed the Texas Declaration of Independence and created this great state. They did this at Washington on the Brazos. That was followed by 13 days at the Alamo. Then, on April 21, 1836, the Battle of San Jacinto culminated the end of the turmoil. Sadly, last week, a tyrant (Russia) invaded a peaceful country (Ukraine).

Councilmember Guerra commented on the State's creation, as well as on the invasion of Ukraine. He stated that the Rodeo is back on, after being canceled for two years and losing millions of dollars that help children's educations. He is a lifetime member.

Pro Tem Mathew also commented on the Russia's invasion of Ukraine, as did Councilmember Jones. "Happy Independence Day" and "God Bless Texas" from Councilmember Rosas. Also, she agreed with the comments regarding the invasion of Ukraine. Donations should be made through a reputable organization.

Councilmember Chen congratulated Dr. Bostic. In 2020, he received the TECA District Administrator of the Year Award. March is Women's History Month to recognize women's contributions to history and society, and March 8 is International Women's Day to celebrate all women's achievements. She commented on Ukraine and asked for prayers for Ukraine and for world peace.

Regarding the Houston Livestock Show, Mayor Willis said his granddaughter will be on a replay of the calf scramble tonight. He noted that, on a video of Ukraine, there is a policeman with a "Don't Mess with Texas" sticker across his chest. That officer trained with the Houston Police Department.

A moment of silence followed.

6. Public Comments on items on the agenda.

There were no public comments.

7. (a) Presentation by Whitley Penn LLP, of the City's Audited Financial Statements for FY 2021.

Ms. Shah reported that Whitley Penn, the City's external audit firm, has completed the state required financial audits for FY 2021 for the City, SEDC, and SMSD. The Finance Committee met on February 14 to discuss the audit process, results, and financial statements. SEDC's audit was presented to the Board on February 22.

Before Mr. Simmons' presentation, Mayor Willis and Councilmember Jones recognized and thanked former City Secretary, Bonnie Baiamonte, and former Assistant City Secretary, Marian Rocha, for stepping in to assist while these positions remain vacant.

Mr. Simmons explained the audit process. They focus on internal control testing and perform walk-throughs in various departments to see that internal controls are in place and operating effectively. Based on that, at year's end, they determine where to hone in on testing. Substantive testing at year end is confirming bank accounts, looking at payroll accruals, and doing more detail testing on capital assets on long-term debt. All that goes into forming an opinion on financial statements. The three opinions are Disclaimer, Qualification, and Unmodified Opinion. The latter is the highest level of assurance given and is the opinion given to Stafford this year. Mr. Simmons thanked Ms. Shan and her team for their assistance.

Since the City received over \$750,000 in federal awards this year, there was a single audit conducted on the federal side which means there is a Government Auditing Standards report that will focus on compliance and controlled-over compliance. There were no instances of noncompliance materials, significant deficiencies, or material weaknesses.

The Shuttered Venue Program, about \$800,000, was the lone major federal program; and about \$400,000 was for Corona Virus relief. Those can be found in the single federal audit report. There were no internal control findings. They issued an Unmodified Opinion.

The Statement of Net Position in the financial report includes capital assets of \$95.8 million, long-term debt of \$29.1 million, and a net position of \$66.7 million. On the Fund Balance statements: The General Fund increased its fund balance from \$800,000 to \$6.5 million; the Hotel Occupancy Tax Fund balance is \$7.7 million; the Capital Projects Fund issued debt this year, and its balance increased to \$4.1 million; the Non-Major Governmental Funds balance is about \$391,000; the Total Governmental Funds is \$18.8 million.

The Sales Tax in FY 2020 was about 64% of the General Fund Revenues compared to 53% in FY 2021 (mainly federal grants). In the General Fund Budget-to-Actual, Miscellaneous Revenue and Charges for Services were consistent. The Intergovernmental Budget was \$9 million and Actual was \$7 million. The remaining revenues (Licenses and Permits, Fines and Fees) were consistent with the budget. Taxes Budget increased from \$16 million to Actual \$17 million.

In the General Fund Expenditures, the Debt Service was consistent. Capital Outlay decreased from \$1.1 million in FY 2020 to \$360,000 in 2021. Police and Emergency Services, Municipal Services and Public Works, and Financial Administration are consistent. General Administration is more consistent than it looks in the graph.

The Fund Balance in the General Fund is \$7 million this year compared to \$1 million last year. The City's policy on expenditures is 25%. It was low in 2020 but is back up in 2021 due to the contribution from the SEDC to the City.

The accounting policies were consistent with the standards. The estimates were consistent with prior years. Estimates include allowances for estimates, useful lives of capital assets, pension, and OPED liabilities.

There were no difficulties in performing the audit. No misstatements were identified. There were no disagreements with management. At the conclusion of the audit, they will request a management representation letter. They are not aware of consultation with other accountants. None of the topics discussed are contingent on keeping them as auditors.

Mayor Willis noted that the City's other component entities are the SEDC and SMSD. He asked Mr. Simmons to explain what a "component entity" is and what makes it a component entity to be required to be in the City's audit. Mr. Simmons responded that a component unit is based on how SMSD and the SEDC were constructed. There are certain requirements that make it a component unit. There are different types of component units. SMSD is a discreetly presented component unit. One can only see it in the Government Wide Financial Statements. It has a different business office, and the accounting is handled separately. The SEDC also is a discreetly presented component unit, but the City handles its accounting. If there were more common board or council members and the City had more of a decision-making power over that component unit, it might qualify for a blended component unit and would look like another fund in the financial statements.

Mayor Willis stated that, without the City of Stafford, the SEDC would not exist. SMSD was established by the voters of Stafford and the Education Code. The City votes on their budget and sets their tax rate. SMSD had no bonds. All school buildings were built with City bonds, issued on their behalf, for educational purposes.

Referring to the Statement of Net Positions, Mayor Willis said that the \$66.7 might be misleading and needs clarification as that money is not cash in the bank. Ms. Shah stated that cash and investments total \$20.8 million. She added that Net Position is the difference between Assets and Liabilities. Mr. Simmons added that the General Fund is unassigned, assigned, or committed by Council. The Hotel Occupancy Tax Fund is restricted and needs to be spent on heads and beds. The Capital Projects Fund is restricted and should be spent on capital projects. Non-Major Governmental Funds is for Debt Service, Municipal Court programs, and Public Safety.

Regarding SMSD's budget, they have more debt than capital assets – a deficit of \$15.4 million.

Mayor Willis commented that the audit was completed ahead of schedule. He thanked everyone who assisted in the preparation of the audit.

(b) Consideration of appropriate action on item (a).

Councilmember Guerra made a motion to accept the City's Audited Financial Statements for FY 2021 as presented by Whitley Penn LLP. Councilmember Chen seconded the motion, and it carried 6 – 0 with all Councilmembers present voting in favor.

8. (a) Presentation and discussion on the Annual City of Stafford Crime Report.

Previously, the crime report was called the Annual Crime Report UCR (Uniform Crime Reporting) and used by the FBI and federal and state levels for reporting all crimes. Three years ago, it was replaced by NIBRS (National Incident Based Reporting System). Chief Ramirez displayed the types of crimes reported per UCR, which were listed as Part 1 Offenses and Additional Offenses. NIBRS has expanded the list of offenses into Group A Offenses and Group B Offenses. One example: Before, Assault (Part 1 Offenses) only addressed Aggravated Assault. Now, Assault Offenses (Group A Offenses) include Aggravated Assault, Simple Assault, and Intimidation. NIBRS is transparent, showing exactly what happens in the City. The Police Department transitioned from UCR to NIBRS on January 1, 2021. The Stafford Police Department was a test site for the software which was to be used throughout the country. Chief Ramirez gave examples of cases.

The data shows that crime decreased in 2020 due to the pandemic but increased 43% in 2021. Chief Ramirez provided details on how some offenses are classified. The clearance rate in 2020 was 24%. In 2021, it was 26%.

Every law enforcement in the State uses NIBRS. Stafford's crime report is submitted to DPS and the FBI for publication. Because of the change in reporting the data, it looks like there is more crime in the City with the police not in control. That is not so. Councilmember Rosas asked how the public should be informed

about the changes. Chief Ramirez says this system is beneficial when looking at how to deploy resources. He learned from Chief Krahn never to fudge the numbers, and he never will. Mayor Willis said that this will be clear in time. He added that he and Chief Ramirez will work on communicating this matter to the public. Chief Ramirez added that, if this was another UCR report, we would have had an increase in crime. If we were comparing apples to apples, we would still have an increase because no one did nothing in 2020 due to the pandemic. While other cities saw a spike in crime, Stafford did not. Councilmember Guerra will support the Police Department by providing the tools needed to fight crime and to hire and retain qualified people. Mayor Willis added that we will not lower standards to fill a position.

There were no public comments.

(b) Consideration of appropriate action on item (a).

Councilmember Rosas made a motion to approve the Annual City of Stafford Crime Report as presented by Chief Ramirez. Councilmember Chen seconded the motion, and it carried 6 – 0 with all Councilmembers voting in favor.

9. (a) Consent Agenda (Items i-xii). Any item tagged will be discussed and considered at the conclusion of this item or at the next regular City Council Meeting; any item approved will include payment of expenses.
- i Approval of the Memorandum of Understanding – FBC Juvenile Justice & Mental Health Collaboration.
 - ii Approval of Police Chief, Richard Ramirez request to approve training and all related expenses for employees in the Police Department in the amount of \$350.00.
 - iii Approval of City Planner, Tatyana Luttschlager request to Pay Application No. 20 and Final for City of Stafford Fire Department Administration and Fire Station Building.
 - iv Approval of a Resolution of the City of Stafford, Texas, authorizing the Mayor to execute a contract with Carolyn Entricht for Media Services.
 - v Approval of a Resolution of the City of Stafford, Texas, authorizing the Mayor to execute a contract with Bonnie Baiamonte for City Administrative Services.
 - vi Approval of a Resolution of the City of Stafford, Texas, authorizing the Mayor to execute a contract with Marian Rocha for City Administrative Services.
 - vii Approval of a Resolution of the City of Stafford, Texas, Authorizing the Mayor to execute a contract with Sylvia Mirza for Municipal Court Administrative Services.
 - viii Approval of Fire Chief, Larry DiCamillo request to approve training and all related expenses for employees in the Fire Department in the amount of \$3120.12.

- ix Approval of Code Compliance Administrator request to approve the date for the Citywide Spring Clean-Up.
- x Approval of Resolution to authorize the Mayor to accept a grant of \$4,390.06 from FEMA Public Assistance Reimbursement – Hurricane Laura.
- xi Approval of Finance Director, Alka Shah request to approve the investment report.
- xii Approval of Resolution of the City Council of the City of Stafford, Texas appointing an acting City Secretary.

There were no comments from Councilmembers or the public.

(b) Consideration of appropriate action on items (i-xii).

Councilmember Guerra made a motion to approve the consent agenda items as presented. Councilmember Mathew seconded the motion, and it carried 6 – 0 with all Councilmembers present voting in favor.

Councilmember Guerra made a motion to approve the Consent Agenda as amended, by inserting \$50.00 in the blank space in items v and vii. Councilmember Rosas seconded the motion, and it carried 6 – 0 with all Councilmembers present voting in favor.

10.(a) Discussion of requests by Councilmembers for future agenda items.

Councilmember Jones asked about the quarterly economic development report. Mayor Willis responded that it is in progress.

There was no public comment.

(b) Consideration of appropriate action on item (a).

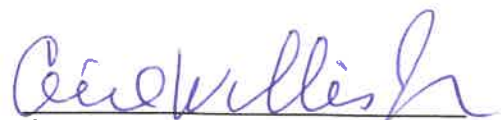
No action was taken.

11. Adjournment.

Councilmember Guerra made a motion to adjourn. Councilmember Rosas seconded the motion, and it carried 6 – 0 with all Councilmembers present voting in favor. The meeting adjourned at 8:25 p.m.

ATTEST:


Bonnie Baiamonte
Acting City Secretary


Cecil Willis, Jr.
Mayor