

MINUTES
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
Regular Meeting, Wednesday, 12 July 2023

1. **CALL TO ORDER:** Mayor John Williams at 5:00 P.M.
2. **QUORUM CHECK:** Maribel Garcia, Deputy City Clerk

Present:

Mayor John Williams
Mayor Pro Tem Bear Goolsby
Councilmember Steven Buck
Councilmember Ashton Bulman
Councilmember Christina Fitzpatrick
Councilmember Paul Najarian
Councilmember Phil Vaughan

Virtually Present:

Mayor Pro Tem Goolsby

Staff Present:

Kim Turner, City Manager
Christine Green, Finance Director
Mateo Garcia, Finance Manager
Kristin Mueller, City Clerk/Economic Development Director
Randy Luensmann, Public Works Director
Athena Ford, Utilities Coordinator
Michael Cassata, Development Services Director
Christina Blumenthal, Library Director
Brenda Haro, Court Administrator
Katie Rein, Food and Beverage
Sal Garcia, Pro Shop
Todd Perna, Fire Chief
Steve Mahalski, Police Chief

Mayor Williams noted a quorum was present.

3. **INVOCATION and PLEDGE OF ALLEGIANCE:**

Councilmember Vaughan gave the invocation. The Pledge of Allegiance to both the United States and Texas flags were led by Mayor Williams.

4. **VOTE TO CONSIDER THE EXCUSE OF ABSENT MAYOR/COUNCILMEMBERS:**

No action was necessary; all councilmembers were present.

5. **AWARDS/PROCLAMATION/INTRODUCTION OF GUESTS:**

Mayor Williams, Council, and the audience viewed a video displaying Councilmember Buck, Najarian, and Fitzpatrick's experience at the Armed Forces River Parade on July 2nd, 2023 at the River Walk.

6. **CONSENT:**

Councilmember Bulman requested the following item be removed from the Consent Agenda for further consideration and discussion:

- c) Consider Resolution No. 954-2023: A Resolution of the City Council of the City of Universal City approving a project of the Universal City Economic Development Corporation as authorized by Section 505.158 of the Texas Local Government Code, authorizing certain financial assistance to be used for targeted infrastructure located within the City of Universal City; and providing for an effective date.

Councilmember Najarian moved to approve the following items from the Consent Agenda:

- a) Consider the minutes of the Tuesday, June 20, 2023 City Council Regular Meeting.
- b) Consider Ordinance No. 655-J-2023 (PC 574 SU 014 VC 672): An Ordinance approving a **Specific Use Permit** to Tuan A Nguyen for a Apartment Residential Use and Density Variance for a Triplex in a R-OT Old Town Residential District on property located at 201 E. Lindbergh Boulevard, Universal City, Texas (CB 5768 BLK 21 LOT 20); providing for non-severability; and establishing an effective date.

Mayor Pro Tem Goolsby seconded the motion.

**Vote: Yeas: Najarian, Goolsby, Buck, Bulman, Fitzpatrick, Vaughan
Nays: None.**

Motion to approve carried.

Mayor Pro Tem Goolsby moved to approve the following items from the Consent Agenda:

- c) Consider Resolution No. 954-2023: A Resolution of the City Council of the City of Universal City approving a project of the Universal City Economic Development Corporation as authorized by Section 505.158 of the Texas Local Government Code, authorizing certain financial assistance to be used for targeted infrastructure located within the City of Universal City; and providing for an effective date.

Councilmember Fitzpatrick seconded the motion.

**Vote: Yeas: Goolsby, Fitzpatrick, Buck, Najarian
Nays: Bulman, Vaughan**

Motion to approve carried.

7. CITIZENS TO BE HEARD:

- Kim Igleheart, 736 Garden Meadow, expressed her belief that an abundance of resources creates waste. She stated that sales tax revenue has increased greatly and is expected to continue to increase. She opined that the abundance of revenue given to the golf course would create waste.
- Richard Edwards, 209 Trudy Lane, reminded Council of his opinion that the venue tax is not about the golf course. He would like Council to consider what percentage of residents attend the golf course and use this to decide whether the golf course is an amenity. He gave examples of other City amenities and asked that the golf course be treated equally to them – not receiving earmarked funds but deliberating on assigned funds yearly during budget season.
- Ken Mitts, 13410 Adonis, gave statistics of golf course revenues and budgeting. He stated that golf course financial statements have not been audited and that Council does not receive regular financial reports from the golf course. He would like the venue tax to be a ballot item. Regarding the Venue Tax Slides handout, he opined that the golf course is not an investment as it has no returns, that elections should not be avoided due to cost, and that using the venue tax to fund other legally allowed needs will never happen due to the cost of golf course needs.
- Bernard Rubal, 635 Balboa, stated it is up to Council to resolve this issue, and he recommended that a citizens committee be established to resolve the problem and further recommended Tom Maxwell to head this committee. He asked Council to consider the burden placed on the City Manager by not giving her direction.
- Denise Thomas, 314 Colonial Bluff, requested that Ordinance 370-Q-2022 be revisited and that

Fire Marshal discretion in grass height be reconsidered.

- Andrea Williams, 9210 Granberry Pass, said as a business owner she wanted Council to consider lowering the percentage of sales tax given to the golf course and having it reallocated to other areas.
- Lisa Irwin, 12814 El Dorado, thanked Council for their work. She expressed her love for Universal City and emphasized the importance of working together. She said the golf course offers a lot to the City as a community gathering place.
- Billy Hill, 9023 Phoenix, shared he is a long-time resident of Universal City. He stated only a small percentage of residents vote and a smaller percentage of that are educated voters. He expressed support for representative government in that he trusts his elected representative to make decisions. He stated if representatives make unfavorable decisions, they can be voted out, but they should make the decisions, nonetheless.

8. BUSINESS:

N.T.1. Venue Tax Discussion.

Mrs. Turner presented a summary of end goals and direction moving forward that Council had agreed to. She listed priorities and added figures to prior discussion – golf course interfund loan repayment would total approximately \$1.9 million, the 2024 Fiscal Year (FY) annual administrative transfer to the General Fund would be approximately \$310,000, and that the Parks and Recreation Budget for FY 2024 is estimated to be \$1.4 million, on which Council could use venue tax revenue. She gave a Rough Order of Magnitude Budget for golf course repairs and upgrades that could be covered by the venue tax and gave figures related to these projects.

Ms. Rose Kanusky gave her background in election law and presented a review of law regarding the original ballot language used in establishing the venue tax. She emphasized that the ballot language allows for the venue tax to be used for certain specific projects currently funded through the General Fund. She also reiterated that the golf course would stay a venue project if the venue tax was repealed. She listed possible uses for the venue tax. She gave definitions of linear parks and open spaces. She stated that Council has the option to reduce or repeal any part of the venue tax without going to an election but warned this would reduce the City's revenue. She stated if Council reduced or repealed its venue tax without reallocation through an election, this revenue would be open to another entity to claim and this could not be recouped by the City.

Councilmember Buck received clarification that Council cannot reallocate the venue tax without an election.

Ms. Kanusky added the venue tax would be unchanged if a ballot measure to amend it failed, and that there is a set amount of time Council must wait before another ballot measure on the venue tax. She continued, stating the third option Council has is to clarify and/or expand the definition of "venue project" to allow more uses for the venue tax outside of the golf course to possibly include the Aviation District.

Councilmember Buck received clarification that this would also require a vote.

Councilmember Vaughan asked whether Staff and attorneys had worked to identify linear parks.

Mrs. Turner answered Staff had gone over the Parks Master Plan with Mr. Binford and

concluded that all City parks qualify as linear parks under venue tax ballot language.

Councilmember Vaughan asked if a resolution or ordinance would be required to allocate venue tax funds to these parks.

Ms. Kanusky responded that this can be done as part of the yearly budgeting process.

Councilmember Vaughan received assurance that a resolution or ordinance could be passed to establish a finite amount of venue tax revenue go to the golf course so that it is a set policy decision. He asked whether park land sale revenue from park land sold near Northlake would be required to go to the Parks fund, and was told this question would need to be answered at a later date after attorneys have had time to research.

Councilmember Najarian gained clarification that funds for projects having been budgeted for in the Parks Fund receive allocated venue tax revenue would be transferred to the General Fund.

Mrs. Turner opined the reason this was not discussed before was because Council did not have the opportunity to do so due to all venue tax funds being used to pay off debt and emergency expenses. This would be the first year that this opportunity arose.

Councilmember Najarian asked what benefits come with further defining language used in the 2002 ballot.

Mr. Binford stated the main benefits of clarifying language is it ensures that the use is valid, erases ambiguity, and allows for memorialization and protected use of the tax. It also allows for guaranteed protected use of the tax in the future for the provided definitions.

Clarification was provided by attorneys and Mrs. Turner that a venue tax use policy could be passed through resolution, ordinance, policy, or the budget process. The policy could equally be rescinded or repealed.

Ms. Santee warned against being too specific in policy making because it would decrease flexibility.

Councilmember Najarian clarified that using percentage in policy would be best practice to avoid shortfalls if a specified dollar amount is not met.

Mrs. Turner also warned against specificity in policy making and asked Council to consider the changes that would need to be made to the budget process if specificity is included.

Mr. Binford added suggestions for how to provide for the flexibility required to not fall into a budgetary shortfall, but the specificity desired from Council. This would include a policy that gives direction to Staff but flexibility in execution.

Mayor Pro Tem Goolsby emphasized the newness of the opportunity to use venue tax funds for non-golf course projects. He shared support for deciding allocation of revenue to other projects during the budget process and conveyed disagreement with limiting Council flexibility in using venue tax revenue.

Councilmember Vaughan confirmed that venue tax revenue is legally permitted to fund all park improvements in Universal City as they all fall under the scope of "linear parks."

Councilmember Buck, after having the original 2002 venue tax ballot language read, asked if Rough Order of Magnitude golf course improvements listed by Mrs. Turner could be funded using the City's general sales tax revenue, emphasizing that he is excluding ad valorem tax.

Mr. Binford stated that these and the parking lot improvements could be funded through general sales tax and the only prohibition is using ad valorem taxes.

Councilmember Buck gave historical context for the 2002 venue tax ballot item, leading to his assertion that there is a difference between "legally permissible" and getting clarification from residents through a ballot on whether the venue tax should be used for specific purposes. He stated his original purpose in asking this item to be added to the agenda. He said, given general sales tax can be used to continue to fund the golf course, the venue tax could be reallocated through a vote to the General Fund in order to also use these revenues for other priorities.

Councilmember Bulman addressed Mrs. Turner's presentation stating she did not believe the goals of Council could be accomplished without conducting an election. She would like revenues currently going into the venue tax to be more flexible. She expressed support for either reallocation of venue tax into the General Fund or decreasing the venue tax to 1/8% and 3/8% going to the General Fund. She thought it unfair that the golf course consistently has a dedicated amount going toward funding and opined that everything should go to the General Fund to be utilized fairly for every department. She continued to support a ballot item.

Councilmember Fitzpatrick stated she appreciates the fact that Council has never had the opportunity to decide where the venue tax could go due to always having to pay off debt. She believed flexibility existed in the ballot language. She expressed her support for using Council discretion in allocating venue tax revenue and mentioned these actions for allocation could always be rescinded. She believed residents trusted Council to make this decision and did not support a ballot item.

Mayor Williams reminded Council to consider State legislative action regarding sales tax. He expressed his concern that Council may be rushing into this without having the circumstantial knowledge of what the State legislature may do. He urged Council to wait before prescribing a policy. He supported allocation discussion during the FY 2024 budget cycle.

Councilmember Vaughan expressed his want to work toward a percentage split of the venue tax between the golf course and other permitted uses. He understood that some Councilmembers still wished for an election but said a percentage split may be a good compromise for now while allow the flexibility needed to handle changes that may come from the State.

Councilmember Bulman supported this proposition stating residents would be comforted by it.

Mayor Pro Tem Goolsby expressed concern that an ordinance or policy would limit the City and Council. He supported going in the direction of allocation in the form of a percentage.

Councilmember Najarian stated the golf course requires long-term discussion. He asserted that it is Council's responsibility to make this decision. He opined that voters trust Council to represent them, and that the venue tax does not need to be on the ballot again. He stated he is now onboard with allocation of funds within what is permitted. He believes Council should come to an agreement.

After some discussion between councilmembers, Mayor Williams stated an agreement could not legally be made at this meeting.

Ms. Santee asked whether Council is looking to create an ordinance, reminding Council that the budget is passed as an ordinance.

Councilmember Vaughan expressed his want for a policy that lasts longer than an ordinance with the term of a year, such as the budget.

Mrs. Turner noted that the budget is amended throughout the year, providing flexibility in amending a policy that funds projects which may have budgetary changes as they progress. She stated she could present Council with a budget that presents the venue tax allocated toward approved park projects.

Mayor Pro Tem Goolsby gained clarification that ballot language allows for funding streets accessing a park within reason, and that ballot language did not limit “streets” to mean streets within parks, as not many have streets inside park limits.

Mr. Binford clarified that “streets” can mean streets that allow access to a linear park.

Councilmember Fitzpatrick expressed support for the creation of a policy.

Councilmember Najarian received clarification on what estimated revenue from the venue tax for FY 2024 could be put toward.

Mrs. Turner stated, in regards to golf course improvement, she would need to get estimates for design cost.

Consensus was given for Mrs. Turner to split the \$1.1 million estimated venue tax revenue for FY 2024 between the golf course and parks. She requested specifics for the split.

Councilmember Najarian expressed his want to fund more golf course projects related to making it a venue and destination spot.

Councilmember Vaughan opined that Council could not give Mrs. Turner a dollar amount to allocate toward parks. He requested a policy be passed relating to percentage allocation.

Mrs. Turner stated a policy would not come into play until the tax rate is discussed in August after the budget is passed.

Councilmember Bulman stated she did not agree with funding certain golf course improvement projects as they focus on wedding revenue.

Councilmember Buck stated he did not support a policy but supported allocating funds every year as part of the budget process.

Options for how to split the \$1.1 million for the next budget were discussed.

Consensus was given to allocate estimated venue tax revenue 50% for the golf course and 50% for parks projects for the sake of the FY 2024 budget. Mrs. Turner stated this would be reflected in the budget presented at the July 12th Budget Workshop.

9. CITY MANAGER COMMENTS:

Mrs. Turner reminded Council that they can make appointments to discuss the budget with her and Staff. She gave kudos to EDC Staff for their work on the Armed Forces Parade on July 2nd.

10. COUNCILMEMBER COMMENTS:

Councilmember Vaughan stated his meeting with Staff to go over the budget was incredibly useful. He urged his fellow councilmembers to meet with Staff to ensure that the budget workshop did not run too late. He asked Council for consensus to discuss Ordinance 370-Q-2022 regarding Fire Marshal provisions.

Councilmember Buck supported discussing Ordinance 370-Q-2022. He asked Council to consider the tertiary affects of repealing Fire Marshal discretionary powers.

Consensus was reached to discuss Ordinance 370-Q-2022 on a future agenda with the provision that the Fire Marshal be present.

Mayor Pro Tem Goolsby thanked everyone for the discussion and their attendance.

Councilmember Bulman stated she and Councilmember Vaughan would have a budget walk through for constituents on July 9th and urged residents to attend.

Councilmember Buck thanked EDC Staff for their work on the Armed Forces River Parade. He informed the public that July 5th was Graham Cracker Day and said that National Kissing Day was July 6th. He urged everyone to attend Movies in the Park to watch Lyle, Lyle, Crocodile on July 15th. He also urged residents to attend the July 12th Budget Workshop.

Councilmember Najarian said the Armed Forces River Parade was great and commended EDC Staff. He thanked citizens who spoke during Citizens to be Heard. He assured residents that they were heard.

Councilmember Fitzpatrick thanked Staff for their work on the Armed Forces River Parade and thanked citizens who spoke during Citizens to be Heard and who reached out to her via email. She asked councilmembers to be cautious regarding the Open Meetings Act when talking about agenda items outside of City Council meetings.

11. MAYORAL COMMENTS:

Mayor Williams thanked everyone for attending the meeting and encouraged everyone to attend the July 12th Budget Workshop.

12. ADJOURNMENT: Mayor Williams adjourned the meeting at 8:42 P.M.

APPROVED:

Attest:

John Williams, Mayor

Kristin Mueller, City Clerk