

## **Minutes for the City Council**

333 West McLeroy Boulevard, Saginaw, Texas 76179

May 6, 2025

### **Present at the Meeting:**

- Todd Flippo, Mayor
- Paul Felegy, Mayor Pro-Tem, Place 1
- Nick Lawson, Place 2
- Valerie Junkersfeld, Place 3
- Brack St. Clair, Place 4
- Cindy Bighorse, Place 5
- Mary Copeland, Place 6
- Bryn Meredith, City Attorney
- Trenton Tidwell, City Engineer
- Gabe Reaume, City Manager
- Lee Howell, Asst. City Manager
- Kim Quin, Finance Director
- Brandon Badovinac, Asst. Police Chief
- Doug Spears, Fire Chief
- Randy Newsom, Director of Public Works
- Pedro Zambrano, Director of Economic Development & Community Engagement
- Melanie McManus, Director of Human Resources
- Ellen Ritchie, Library Director
- Vicky Vega, City Secretary
- Greg Clayton, I.T. Director

### **Visitors at the Meeting:**

- Larry Little
- Elizabeth Thorp
- John Reynolds
- James Crippen
- Lynn Blackmon
- Aleena Davis
- Corey Burnett
- Diksha
- Shawn Morrison
- Bradyn Safford
- Alex Costet
- Nathan Goldberg
- Jesus Reyes
- Cesar Guerrero
- Coster Wilson
- Carmen Reyes

### **1. Call To Order**

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#### **1.A. Call To Order -- Todd Flippo, Mayor**

Mayor Flippo called the meeting at 6:00 p.m.

**1.B. Pledges--Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas--"Honor the Texas Flag; I pledge allegiance to thee, Texas, one State under God, one and indivisible"**

**1.C. Invocation--Pastor Joe Rangel, SOBA Church**

Councilmember St. Clair gave the invocation in absence of Pastor Joe Rangel.

**1.D. Audience Participation--Anyone wishing to speak during the discussion of an item listed on the agenda must complete an audience participation form. These forms are located by the Police Chief. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is discussed. You will have three (3) minutes to make your comments.**

## **2. Consent Agenda**

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Motion was made by Councilmember Junkersfeld and seconded by Councilmember St. Clair to approve the following items: 2A, 2B, 2C and 2D. Motion passed unanimously 7-0-0-0.

**2.A. Action Regarding Minutes, April 15, 2025--Vicky Vega, City Secretary**

Minutes approved for the April 15, 2025 Council meeting.

**2.B. Action Regarding Approval to Purchase Two Unmarked Units for use in the Police Department--Russell Ragsdale, Police Chief**

Council approved authorization for the Police Department to purchase two unmarked units. Jerry's Chevrolet has two units on order that will be delivered during the current fiscal year 2024-25 and the purchasing price was below any of the co-op prices.

In the current budget FY2024-25, \$90,000 was approved during the budgeting process. The financial impact is roughly \$85,000 for both units with basic emergency equipment installed. This will include vehicle, emergency lights and radio for both cars and for a complete wrap for the one vehicle that will be used by our community policing officer.

**2.C. Action Regarding Approval of Professional Services Agreement with Campos Engineering for HVAC Commissioning - Lee Howell, Asst City Manager**

Council approved professional Services agreement with Campos Engineering for HVAC Commissioning. Pursuant to the CMAR contract with Byrne Construction for the new Senior Center/Library, HVAC Commissioning is required to be "provided by owner" during the construction phase. HVAC commissioning is an extensive testing, adjusting, and balancing process of equipment and controls performed by professional engineers certified through the National Environmental Balancing Bureau (NEBB) to ensure efficient operation and compliance with the International Energy Conservation Code (IECC-2018). Campos Engineering responded to a request for a proposal.

Campos Engineering is certified as a Commissioning Consultant. Individuals must possess specific education and professional experience and pass comprehensive examinations. NEBB discipline certifications have unique prerequisite requirements and are anchored by a specific body of knowledge that provides guidelines for curriculum development and exams. NEBB Certified

individuals must remain current with industry trends through continuing education in the related fields.

HVAC Commissioning for the new building will take several weeks to measure functional performance tests, make adjustment recommendations, and prepare reports. Campos Engineering comes recommended on the basis of demonstrated competence and qualifications to perform the service for a fair and reasonable price. Total fees for the basic services will be \$22,750 and come from 2022 bond funds budgeted for the construction contract.

**2.D. Action Regarding Bid Award for Opal Jo Jennings & Brian Schwengler Memorial Park-- Randy Newsom, Director of Public Works**

Council approved to award bid to Patcon Services, LLC for Opal Jo Jennings and Brian Schwengler Memorial Park. Kimley-Horn has reviewed Patcon Services, LLC qualifications and verified their bonding company is licensed in the State of Texas.

Opal Jo Jennings project consists of constructing concrete sidewalks, site furnishings and foundations, fencing and footings, a drinking fountain with water service, and installing new plant material and irrigation system.

Brian Schwengler project consists of constructing pavilion foundations, concrete sidewalks, half-court basketball court, site furnishings and foundations, fencing and footings, a drinking fountain with water service, parking lot paving and striping, and installing new plant material and irrigation system.

**2.E. Action Regarding Funding of the 2025 Independence Celebration Fireworks Event -- Pedro Zambrano, Director of Economic & Community Engagement**

Item was pulled from the Consent Agenda due to the lack of quorum at the Parks Board meeting on Monday, May 5, 2025, where the Board was scheduled to discuss funding for the 2025 Independence Celebration Fireworks event and make a recommendation to Council on whether to approve the funding.

**\*\* Item was Removed from Consent**

Motion was made by Councilmember St. Clair and seconded by Councilmember Bighorse to table item. Motion passed 7-0-0-0

**2.F. Action Regarding Approval of Retired Fire Station Asbestos Abatement Consultant Proposal -- Doug Spears, Fire Chief**

Council approved Asbestos Abatement Consultant Proposal for the Retired Fire Station. When consideration was given to perform demolition or re-purpose of some or all of the retired fire station and senior center buildings a required asbestos survey was required and completed in August-September of 2024. Asbestos was discovered in some areas of the fire station building requiring abatement.

In order to conduct the asbestos abatement, the next step is to engage a project consultant. The project consultant drafts the necessary scope of work, performs project management and conducts the air monitoring during the asbestos demo and removal, and ensures compliance of abatement

regulations with regulatory authorities. The project consultant identifies and recommends a competent contractor for the demo and removal work.

The consultant work is considered professional services allowing the city to choose a company to contract with due to the specialized nature of the work scope with consideration to qualifications and experience or proven competency on previous similar projects. DFW Environmental Group has competently provided this service for the city on previous occasions and is the company that conducted the initial asbestos survey.

The period to perform the abatement is estimated not to extend beyond 15 days with and additional 10 days for the required interior demolition. \$13,800 to be paid from TIRZ funds. Staff recommends approval to engage DFW Environmental as the asbestos abatement project consultant.

**\*\* Item was Removed from Consent**

Motion was made by Mayor Pro-Tem Felegy and seconded by Councilmember St. Clair to approve item as presented. Motion passed 6-0-1-0 (Councilmember Junkersfeld Abstain)

**2.G. Action Regarding Approval of Retired Fire Station Asbestos Abatement Contractor Proposal -- Doug Spears, Fire Chief**

Council approved the contractor proposal with HP EnviroVision for the Asbestos Abatement for the Retired Fire Station. When consideration was given to perform demolition or re-purpose of some or all of the retired fire station and senior center buildings a required asbestos survey was required and completed in August-September of 2024. Asbestos was discovered in some areas of the fire station building requiring abatement.

In order to conduct the asbestos abatement, the third step is to engage a project contractor. The project contractor performs the work based on the work scope created and monitored by the project consultant.

Asbestos abatement is considered professional services allowing the city to choose a company to contract with due to the specialized nature of the work scope with consideration to qualifications and experience or proven competency on previous similar projects.

The period to perform the abatement is estimated not to extend beyond 15 days with and additional 10 days for the required interior demolition. The overall project cost is \$99,679 to be paid from TIRZ funds. Staff recommends approval to engage HP EnviroVision as the asbestos abatement project contractor.

**\*\* Item was Removed from Consent**

Motion was made by Mayor Pro-Tem Felegy and seconded by Councilmember St. Clair to approve item as presented. Motion passed 6-0-1-0 (Councilmember Junkersfeld Abstain)

**2.H. Action Regarding Approval of Retired Fire Station Asbestos Abatement Ancillary Costs -- Doug Spears, Fire Chief**

Council approved three ancillary cost for the asbestos abatement for the retired Fire Station. The site will require temporary electrical power. A pricing estimate was solicited from Tudor Electric who performs electrical work for the City on occasion, is \$2,820.

The required demolition to perform the abatement will involve the HVAC units necessitating refrigerant recapture before dismantle and removal. A local HVAC contractor has estimated the refrigerant recapture for the multiple units not to exceed \$1,000 total.

The third and final ancillary cost related to the asbestos abatement is the mandatory Texas Department of State Health Services asbestos removal notification fee. The cost is estimated to be at the \$3,300 maximum that can be imposed due to the consultant estimated quantity of asbestos material being created for discarding.

This is invoiced directly from State to the City and payment made directly back to the State from the City after verification of discard quantity. \$7,120 to be paid from TIRZ funds. Staff recommends approval of ancillary expenditures as presented related to the retired fire station asbestos abatement project.

**\*\* Item was Removed from Consent**

Motion was made by Mayor Pro-Tem Felegy and seconded by Councilmember St. Clair to approve item as presented. Motion passed 6-0-1-0 (Councilmember Junkersfeld Abstain)

### **3. Proclamations-Presentations**

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#### **3.A. Employee Recognitions/Presentations--Gabe Reaume, City Manager**

Director of Economic & Community Engagement Mr. Zambrano introduced to Council the new Communication Specialist, Aleena Davis.

#### **3.B. Discussion Regarding Warehouse Development on Spring Hollow Dr.--Tan T. Nguyen, Saginaw Resident**

Tan Nguyen a resident of the Spring Creek community in Saginaw requested to be placed on the agenda to address concerns regarding the entrance to the Falcon Distribution Center development on Spring Hollow Dr.

Asst. City Manager Howell, gave a brief recap of the meeting that took place on April 24, 2025. The meeting consisted off city staff, members of the Spring Creek Community, three Councilmembers and the developer of Falcon Distribution.

Members of the community submitted requests to speak on the agenda item, Nathan Goldberg, Jesus Reyes, Cesar Guerrero, Alexandre Costet. All spoke against and expressed frustration.

Mayor Flippo announced there will be a follow up meeting for the April 24, 2025 meeting, in the coming weeks.

#### **3.C. Discussion Regarding NWECC Annual Report-- NWECC Director JT Manoushagian**

Director JT. Manoushagian presented the 2024 NWECC Annual Report to Council, which outlined the organization's mission and values, introduced the team, highlighted staff achievements throughout the year, reviewed key program success measures, and discussed the core performance areas of telecommunications.

No action was required; the update was informational.

### **3.D. Discussion Regarding Carport Specific Use Permitting -- Doug Spears, Fire Chief**

Fire Chief Spears has referred to Council a directive to either retain the carport SUP requirement or amend the ordinance to eliminate the SUP requirement.

Prior to October of 2022 and by zoning ordinance residential carports were only allowed in specifically defined geographic areas designated as the carport overlay district. In October 2002 the applicable zoning ordinance was amended to allow residential carports in all areas of the city through approval of a specific use permit or SUP, unless otherwise prohibited by HOA covenants.

The SUP requirement is used as a process for the City, through action and purview of the Planning and Zoning Commission and ultimately City Council, to ensure erected carports are compatible in design and materials to the primary residential structure to avoid detracting from the characteristics of a neighborhood or neighboring properties.

While construction methods and materials can be readily defined, design can be more subjective which is likely why the SUP requirement for carports was adopted.

Council discussed the options and directed staff to draft an ordinance revision, to be brought back for discussion at a future meeting.

### **3.E. Economic & Community Engagement Department Update -- Pedro Zambrano, Director Economic & Community Engagement**

Mr. Zambrano, Director Economic & Community Engagement gave an overview of the primary aspects of the department. In the economic development portion, he outlined key components including an introduction to the department, business recruitment and retention efforts, workforce initiatives, collaboration with the Chamber of Commerce, current programs, and future programs. He also discussed the next steps in advancing these initiatives. For community engagement, Mr. Zambrano addressed the departments communication and outreach strategies, public art initiatives, and coordination of special events aimed at fostering community involvement and enhancing local culture.

No action was required; the update was informational.

## **4. Business**

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### **4.A. Consideration and Action Regarding Enterprise Resource Planning System (ERP)-- Kim Quin, Finance Director**

The City of Saginaw has used financial software from STW, Inc for thirty-four years. STW was acquired by OpenGov in 2019. Open Gov has notified the City that it is going to discontinue supporting the version of the software currently being used by the City, making it necessary to either upgrade to OpenGov or change software providers.

A selection committee comprised of the Finance Director, the Director of Human Resources, the IT Director, the Finance Manager, and the Utility Billing Supervisor evaluated proposals from four

different software vendors. The committee evaluated the software programs for general ledger, accounts payable, cash receipts, payroll, human resources, fixed asset, and utility billing functions.

Consideration was given to functionality, ease of use, system integration, conversion and implementation, workflow enhancements, and cost of conversion and annual license fees. The committee unanimously recommends Oracle NetSuite.

Oracle NetSuite is on the State of Texas DIR cooperative purchasing platform which the City may use and receive discounted pricing.

The conversion costs are estimated to be \$327,558 and annual costs are estimated to be \$72,324. The contract is for 3 years with the option to renew for three additional years for \$79,800 per year. Conversion costs of \$204,000 were budgeted in the General Fund. A year end budget adjustment to the Enterprise Fund will appropriate the remaining \$123,558 cost of conversion and \$18,081 quarterly license fee. The conversion process is estimated take between nine and sixteen months.

Staff recommends approval of the contract with Oracle Netsuite to provide conversion and annual licensing of the ERP system.

Motion was made by Councilmember Lawson and seconded by Councilmember Junkersfeld to approve item as presented. Motion carried unanimously. 7-0-0-0

#### **4.B. Consideration and Action Regarding the 2025 Business Survey--Pedro Zambrano, Director of Economic & Community Engagement**

The City Council previously approved a three-year survey contract with OnPointe Insight. The 2025 Business survey presented will be the second survey conducted under this agreement. In February 2025, following the retirement of the Director of Economic Development in December 2024. The city merged the Economic Development and Communications departments to form the Department of Economic & Community Engagement. As part of the transition, a new team was established to lead the city's Economic Development initiatives. To help create the department's strategy moving forward, Economic Development staff are seeking to establish a baseline of the City's current relationship with the Saginaw business community. The department requested Council's approval to proceed with this Business Survey, which will provide insights into how the business community perceives City services and engagement efforts.

Survey topics will include:

- City permitting processes
- Planning and development
- Business outreach programs
- Relationship with the Chamber of Commerce
- And others

The financial impact for the cost of the survey and any marketing materials needed is \$10,500. The amount to cover the cost has been approved in the current budget and will be paid out of account:

01-7000-16-00. Staff recommends the City Council authorize the City Manager to enter into an agreement under the terms of the proposal..

Motion was by Councilmember St. Clair and seconded by Mayor Pro-Tem Felegy to approve item. Motion carried unanimously 7-0-0-0

**4.C. Consideration and Action Regarding Retail Retention, Recruitment and Development Services Proposal with the Retail Coach--Pedro Zambrano, Director Economic & Community Engagement**

In March 2020, the City of Saginaw entered into a contract with The Retail Coach to provide assistance with Retail Retention, Recruitment and Development Services. During the past five years, significant progress has been made with the recruitment of potential commercial retail and restaurants. The Old Fire Station Redevelopment deal was due to the work with The Retail Coach.

The proposed agreement is to renew the agreement with The Retail Coach to provide assistance with Retail Retention, Recruitment and Development Services for one (1) additional year. Their scope of work continues to be:

- *Updated Research, Analysis, and 2024 Market Reports*
- *NEW 2024 Retailer Match List*
- *Continued and New Recruitment of Retailers and Developers*
- *Coaching and Support from The Retail Coach Team*
- *Designated Point of Contact for Recruitment and On-Demand Data Needs*
- *Access to GIS Mapping and Data Resources*
- *Retail Trade Show Representation (ICSC and Retail Live Events)*

The financial impact is a fee of \$20,000, plus reimbursable expenses. This expenditure is budgeted within the existing economic development budget.

Staff recommends the City Council authorize the City Manager to enter into an agreement under the terms of the proposal.

Motion was made by Mayor Pro-Tem Felegy and seconded by Councilmember Lawson to approve item as presented. Motion passed unanimously 7-0-0-0

**4.D. Consideration and Action Regarding Approval of Restaurant Economic Development Agreement contemplating the sale and lease of real property located at 400 S. Saginaw Blvd & 405 S. Belmont St., and award of bid for same to Mad Concepts Group--Pedro Zambrano, Director of Economic & Community Engagement**

In 2023, the Saginaw Fire Department vacated the former Fire Station located off Saginaw Blvd. In the Fall 2022, City Council approved a development agreement with Local Favorite's Triton Saginaw LLC for the property. However, that deal fell through. Following Council's direction, staff reopened the search for proposals, issuing a Request for Proposals (RFP) starting November 8, 2024. The RFP period closed on December 4, 2024, at 10:00 AM.



We received one completed bid in response from MAD, which was presented to City Council at the January 7, 2025, meeting. The bid proposed the redevelopment of the property and the construction of two new restaurants, with one being a sit-down restaurant. A consensus of the City Council was to direct staff to move forward and creating an agreement with MAD.

Below is a summary of what the agreement includes:

**Economic Development Agreement:**

- The City agrees to convey the retired fire and senior center property to MAD
- The City will provide up to \$2.55 million in economic development grants (additional summary below in the Financial Impact Section)

**Performance Requirements**

- Minimum investment of \$7 million in construction and development.
- Completion and green-tagging of two restaurants by December 31, 2027
- MAD must provide a pre-approved loan guarantee letter within 120 days of signing
- MAD commits to creating/retaining at least 50 jobs in the first year of restaurant operation

The agreement also includes safeguards & conditions which are located in Article VII of the agreement.

Summary of the Economic Development Grant:

- Conveyance of the property: The city will convey the property of the retired fire station and former senior center. Per TAD the 2024 value of the property is \$1,206,917
  - The former Kiwanis Veterans park will not be included in the property conveyance instead the city will enter into a ground lease or license agreement with MAD
- Capital Investment Reimbursement: not to exceed \$2,550,000
  - \$500,000 will be paid upon conveyance of the property and execution of a ground lease
  - \$250,000 will be paid upon the issuance of a certificate of occupancy for both restaurants
  - \$250,000 annual payments (beginning with the first anniversary after the date of the issuance of a certificate of occupancy for both restaurants) until the total not to exceed amount of the Capital Investment Reimbursement is met
  - Waive the fees listed below shall be deducted from the Capital Investment Reimbursement
    - Plan submittal and review
    - Platting
    - Zoning
    - Building and construction permits
    - Surveys
    - Inspection fees

- Public infrastructure or other project improvements that are eligible to be reimbursed pursuant to Texas Tax Code Ch. 311, may be reimbursed from tax increment funding available in the fund for the Zone in accordance with the project and financing plan for the Zone, subject to approval by the Board of Directors for the Zone

The Mad Concepts group presented to Council, providing an overview of the project's mission, goals, and vision. The presentation included a preliminary site plan, proposed design elements, and intended ambience. Council was briefed on how these aspects align with the overall concept and support the project's development objectives.

Council discussed the proposed development, posed questions, and commented that the overall concept was viewed positive.

City Attorney Meredith stated that there are pending revisions to the agreement.

Motion was made by Mayor Pro-Tem Felegy and seconded by Councilmember Bighorse to approve item as presented. Motion passed 6-0-1-0 (Councilmember Junkersfeld Abstain)

## 5. Executive Session

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Mayor Flippo declared Executive Session at 8:50 p.m.

**5.A. 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:**

**5.B. Any Posted Item-**

**5.C. 551.087. Texas Government Code. Deliberation regarding Economic Development Negotiations. The City Council may convene in executive session to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the City, and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described above, including:-**

**5.D. Building Improvement Grant Application -- 416 Belmont St. -**

Councilmember Junkersfeld Absent.

## 6. Adjournment

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**6.A. Adjournment--Todd Flippo, Mayor**

Mayor Flippo declared the meeting back in regular session at 9:00 p.m.

Motion was made by Councilmember Bighorse and seconded by Councilmember St. Clair to adjourn the meeting. Motion passed 6-0-0-1 (Councilmember Junkersfeld Absent)

Mayor Flippo declared the meeting Adjourned at 9:00 p.m.

Attest:

Approved:

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Victoria Vega, City Secretary

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Todd Flippo, Mayor