The Hutto City Council met in a regular session on Thursday, March 17, 2016, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Holland called the session to order at 7:00 p.m.

ROLL CALL

Members of the City Council that were present were Mayor Debbie Holland, Mayor Pro-tem Michael J. Smith, Councilmember Anne Cano, Councilmember Tom Hines, Councilmember Ronnie Quintanilla-Perez, and Councilmember Max V. Yeste. Councilmember Lucio Valdez was absent.

Members of staff that were present were Karen Daly, City Manager, Micah Grau, Assistant City Manager, Brian Knowles, City Attorney, Earl Morrison, Chief of Police, Amy McGlothlin, Human Resources Director, Melanie Hudson, Finance Director, and Seth Gipson, City Secretary.

INVOCATION

The invocation was given by Pastor Seth Simmons with New Life Pentecostal Church.

PLEDGE OF ALLEGIANCE

Mayor Holland led the Pledge of Allegiance.

PUBLIC COMMENT

5A. Remarks from visitors

There were no remarks from the visitors present.

PRESENTATION


Melanie Hudson, Finance Director, gave the staff presentation. The City Charter requires the City Council to have a certified public accountant conduct an independent audit of all accounts of the City at the close of the fiscal year, or as necessary. On August 20, 2015, the Council engaged the audit firm of Brockway, Gersbach, Franklin & Niemeier, P. C. for the City’s independent financial audit for the fiscal year ending September 30, 2015.
The firm has conducted the City's audit since 2006 and assisted staff with the preparation of the Comprehensive Annual Financial Report (CAFR).

The Fiscal & Budgetary Committee met with Stephen Niemeier, Partner with Brockway, Gersbach, Franklin & Niemeier on March 15, 2016, to discuss the audit process and to review the results of the audit in detail.

Mr. Niemeier presented the results of the audit and explained the following financial highlights. Daniel Jones, who assisted with the audit, was also present for questions regarding the audit.

**Significant Impacts in FY 2015**
- This is the 9th consecutive year the City has received the Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting. This demonstrates the City's adherence to rigorous financial standards in terms of financial reporting and transparency.
- Property values and sales tax collections have increase significantly, which indicates the local economy is strengthening.

Mr. Niemeier also gave a brief overview of the following graphs.
- Revenues by Component of Primary Government
- Expenses by Component of Primary Government
- Summary of Net Assists of Primary Government
- TMRS Projected vs. City Actual

He completed the presentation by stating that the City had an Unmodified Report, which means there were not any serious weaknesses and no new recommendations. Mr. Niemeier also outlined impacts that the change in pensions accounting from 2015 had on the city and pointed out that the Economic Development Corporation portion of the audit is now blended in the presentation and it is not a separate component unite as it had been previously reported.

**CONSENT AGENDA ITEMS:**

All items listed on the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Council member in which event, the item will be removed from the consent agenda and considered as a regular agenda item.

7A. **Consideration and possible action on a resolution concerning the subdivision approval extension request for the Star Ranch Phase 2 Section 1 Final Plat, 10.56 acres, more or less, of land, 24 single family lots, located at Muirfield Bend Drive at Muirfield Bend Cove within Hutto's extraterritorial jurisdiction.**

7B. **Consideration and possible action on a resolution concerning the acceptance of the streets, sidewalks, wastewater and drainage improvements of Riverwalk Phase 3, Section 1 subdivision.**

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7C. Consideration and possible action on the meeting minutes for the March 3, 2016 City Council regular session.

MOTION: Mayor Pro-tem Michael Smith moved to approve items 7A-7C on the consent agenda as presented. Councilmember Anne Cano seconded the motion. The motion carried with 6 ayes and 0 nays.

RESOLUTION

8A. Consideration and possible action on a resolution concerning the re-adoption of the 401a Plan Administrative Services Agreement with the ICMA Retirement Corporation (ICMA-RC).

Amy McGlothlin, Human Resources Director, gave the staff presentation.

Any employee who was actively employed by the City of Hutto on January 23, 2014, and participated in the Texas Municipal Retirement System as of January 23, 2014, voted in an individual choice referendum election on April 23, 2014, to determine if they would continue to participate in Social Security or if they would opt out of Social Security participation. The individual choice referendum was conducted in accordance with the provisions set forth by the State of Texas' Social Security Administrator. Any employees hired on or after January 24, 2014, must participate in Social Security.

Employees who elected to opt out of Social Security were given an option to have their wages deducted and deposited into a 401(a) defined contribution plan instead. The deposit to the defined contribution plan is equal to the amount that would have been paid for Social Security. The City of Hutto, in lieu of contributions to Social Security on behalf of employees, makes deposits to the defined contribution plan at a one-to-one matching rate.

The IRS has a six-year review schedule for the type of 401 plan documents ICMA-RC makes available. Following the IRS schedule, ICMA-RC submitted updated plan documents for review and approval in 2012 and received favorable opinion letters last year. The documents incorporate amendments for legislative and regulatory changes enacted since the prior restatement in 2006 and are effective as of 2012.

In the past, ICMA-RC has utilized a negative election adoption process in an effort to make the plan document adoption process as easy as possible. This time, per instructions from the IRS, each plan sponsor using ICMA-RC documents will be required to execute a new adoption agreement by April 30, 2016.

MOTION: Councilmember Ronnie Quintanilla-Perez moved to approve the resolution concerning the re-adoption of the 401a Plan Administrative Services Agreement with the ICMA Retirement Corporation (ICMA-RC). Councilmember Anne Cano seconded the motion. The motion carried with 6 ayes and 0 nays.

WORK SESSION
9A. Work session regarding the results of the Employee Engagement Survey.

Amy McGlothlin, Human Resources Director, made the staff presentation. At the December 17, 2015 City Council meeting, a work session was held to identify a third party vendor to administer an employee engagement survey. The International City/County Management Association (ICMA), in partnership with the National Research Center (NRC), was selected.

Employees were notified via email by Mayor Debbie Holland on February 2, 2016, about the online survey. The survey was closed on February 11, 2016, due to all employee responses being recorded.

ICMA & NRC collected the responses from the survey and have provided reports containing an analysis of the survey data.

Ms. McGlothlin described the objectives and methods that were used, how the results compared to ICMA’s existing database that is comprised of over 18,000 employees, and the following key findings from the survey.

1. City employees are satisfied with their jobs.
2. Employee contribution and fit is an area for potential improvement.
3. Employees have high opinions of the City Manager and Supervisors.
4. Support Services were rated positively.

She also highlighted that there was 100% participation across the city and 9 out of the 10 Key Indicators scored above the benchmarks.

Mayor Debbie Holland and Ronnie Quintanilla-Perez thanked the staff for all the hard work for the City.

9B. Discussion regarding the City of Hutto logo.

The Logo Committee comprised of Karen Daly, City Manager, Micah Grau, Assistant City Manager, Christina Kane-Gibson, Public Information Officer, Scot Stromsness, Public Works Director, Kim McAuliffe, Downtown and Tourism Manager, Will Hutchinson, Purchasing Agent, and Seth Gipson, City Secretary, made the staff presentation.

In FY15, the City’s Strategic Guide contained a strategy to develop a new brand for the City. The team described the issues with the current logo, which was chosen by the 2006 Hutto Citizen’s University Class and implemented in 2007, goals of the logo project and new logo design, and the design process from the request for proposals to the final logo design selection. The presentation concluded with an explanation of the phased implementation schedule that was the most cost effective for the City.

The team looked at many different options, colors and approaches before deciding on the contemporary layout. The new logo represents a clean and modern look that more accurately reflects the current city organization. The logo also has been designed so that it can be customized for each department.
ADJOURNMENT

There being no further business, the meeting was adjourned at 7:59 pm.

CITY OF HUTTO, TEXAS

[Signature]
Debbie Holland, Mayor

ATTEST:

[Signature]
Seth Gipson, City Secretary