REGULAR CITY COUNCIL MEETING

The Edna City Council met in regular city council meeting, Thursday, August 6, 2015 in council chambers at 6:30 p.m.

CALL TO ORDER: Mayor Joe Hermes called the meeting to order at 6:30 p.m.

PRESENT: Mayor Joe Hermes, Councilmembers Doug Kelley, Wayne Callis, Maxine Price and Johnny Vasquez. Councilmember Jean Anne Sorensen was absent. City Manager Don Doering, City Secretary Becky Miska, Finance Director Olga Salomon, Street Superintendent Steve Sample, Water Wastewater Superintendent Greg Woodring, Chief of Police Clinton Wooldridge, Assistant EMS Director Kurt Janica and Director of Public Works Brad Ryan.

APPROVE MINUTES OF THE CITY COUNCIL MEETING HELD JULY 16, 2015:
Councilmember Price made the motion to approve the minutes of the city council meeting held July 16, 2015. Councilmember Kelley seconded the motion. All voted AYE.

APPROVE MINUTES OF THE BUDGET WORKSHOP/SPECIAL MEETING HELD JULY 27, 2015:
Councilmember Price made the motion to approve the minutes of the budget workshop/special meeting held July 27, 2015. Councilmember Kelley seconded the motion. All voted AYE.

VISITORS: Chris Lundstrom-Jackson County Herald Tribune, Shelley Gerjes-Citizens State Bank, Philip Huseman-KSA Engineers, Dustin Traylor-Director of RBC Capital Market, Jay E. French, Jeremy Dyail, Velma Vasquez, Shirley Kubenka, Christina Mulenex, Shelley Renken, Karen Chase, Andy Bell, Teresa Clifton, Edwin Clifton, Donna Stewart, J. Whitley, Alicia Gerdes, Louis E. Zetka, Marisa F Gonzalez, Bernice Fikes, Tommy Fikes, Johnnathan Siver, Kurt Janica, Kenny Plant, Darrell Ferguson, Janet Ferguson, Nick Strauss, Steven F. Minch, Aaron Janssen, Tiffany Janssen, Rowdy Yates, D.J.Bell, Bill Selders, Matt Ondruch, Bernard Scott, Debra Matocha, Shannon Goebel, Jaime Tobola, Randa Jordan, Terry Jordan, Robert Braunholz, Dave Gaye and Laine Urban.

HEARING OF VISITORS:
"At this time, comments will be heard from the audience on any subject matter that is not on the agenda. In accordance, with the Open Meeting Act, City Council may not discuss or take action on any item which has not been posted on the agenda." **Please limit comments to three (3) minutes.**

DISCUSS AND TAKE APPROPRIATE ACTION TO CONSIDER ADOPTING A PROPOSED TAX RATE FOR TAX YEAR 2015:
City Manager Doering reported that the proposed tax rate is 0.1978 per $100 of value. The proposed tax rate would increase total taxes in the City of Edna by 173.96%. The rollback tax rate is the highest tax rate that the City of Edna may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the roll back rate. Councilmember Callis made the motion to approve adopting the proposed tax rate of 0.1978, which is effectively a 173.96 percent increase in the tax rate. Councilmember Price seconded the motion. All voted AYE. Motion carried.

DISCUSS AND TAKE APPROPRIATE ACTION TO CONSIDER THE LEASE AGREEMENT BETWEEN THE CITY OF EDNA AND THE TEXAS MIGRANT COUNCIL, INC. DBA TMC (*HeadStart*):
City Manager Doering noted this is an annual renewal with the Texas Migrant Council, Inc. DBA HeadStart. The HeadStart is located at Shelby Park and provides a learning opportunity for preschool children. Councilmember Price asked if the annual fee had increased from last year. City Secretary Miska noted that it was the same. Councilmember Price made the motion to approve renewing the Lease Agreement between the City of Edna and The Texas Migrant Council, Inc. DBA TMC *(HeadStart)* for one year at the rate of $350.00 monthly. Councilmember Kelley seconded the motion. All voted AYE. Motion carried.

<u>DISCUSS AND TAKE APPROPRIATE ACTION TO CONSIDER ORDINANCE NO. 2015-05 AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF EDNA, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2015"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE CONTRACT AND INVESTMENT LETTER, AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO</u>:
Dustin Traylor, Director of RBC Capital Markets, noted he and Bob Henderson have the honor and privilege of being the City of Edna's financial advisors. Five (5) bids were received: Citizens State Bank 2.25%, Classic National Bank 2.26%, American National Bank of Texas 2.39%, Prosperity Bank 2.85% and BBA Compass 2.97%. RBC Capital Market recommendation is to accept Citizens State Bank bid.
Councilmember Kelley made the motion to accept Citizens State Bank bid and to approve Ordinance No. 2015-05 an ordinance authorizing the issuance, sale and delivery of $1,100,000 in aggregate principal amount of "City of Edna, Texas Combination Tax and Revenue Certificate of Obligation, Series 2015"; securing the payment thereof by authorizing the levy of an annual advalorem tax and a pledge of certain surplus revenue of the city's waterworks and sewer system; and approving and authorizing the execution of a paying agent/registrar agreement, a purchase contract and investment letter, and all other instruments and procedures related thereto. Councilmember Callis seconded the motion. All voted AYE. Motion carried.

<u>DISCUSS AND TAKE APPROPRIATE ACTION ON REPUBLIC SERVICES REQUEST FOR A CONSUMER PRICE INDEX INCREASE FOR THE BASE RESIDENTIAL RATE</u>:
City Manager Doering reported in accordance with Section 5.03 of the Solid Waste Collection and Disposal Contract the Base Residential Rate increase will be 2.09%. Councilmember Vasquez made the motion to approve the request from Republic Services for a Consumer Price Index increase for the base residential rate. Councilmember Kelley seconded the motion. Councilmember Callis asked when the contract expires. Mayor Hermes noted two (2) more years. All voted AYE. Motion carried.

<u>DISCUSS AND TAKE APPROPRIATE ACTION ON EXTENSION OF THE INTERLOCAL AGREEMENT FOR EMERGENCY SERVICES BETWEEN THE CITY OF EDNA AND THE JACKSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3</u>:
City Manager Don Doering began the discussion saying one option that was discussed for a motion could be that the city extend its contract with the Emergency Services District 3 until December 31, 2015 with the intention of transferring control and operations of the emergency services to the ESD. Councilmember Kelley voiced his concerns if the emergency services is transferred to the ESD and the City of Edna transfers the equipment over to them. The City of Edna would not have control over the Fire Department if it went to the County. Councilmember Kelley countered with a motion to fund the ESD 3 with $275,000 until the next fiscal year, allowing the city council a year to come up with another long-term solution. The fire department had presented a revised budget earlier in the day that the council was unaware. With the revised budget the City would still need to provide $275,000 which is $50,000 more than it had budgeted. Councilmember Price noted that the council had been working hard for a solution to fix the budget. Price went on to say she was concerned about extending the contract for any amount of time, since she was uncertain how the city can continue to fund the fire department. Mayor Hermes suggested postponing a decision until another workshop can be held so the council can sit down and look at the numbers to see if they can find the additional $50,000.00. Council set another workshop for Monday, August 17th at 5:00 p.m. Council also heard concerns from the following citizens: Donna Stewart, Joe Ort, Terry Jordan and Aaron Janssen.

<u>DISCUSS AND TAKE APPROPRIATE ACTION ON REQUEST FROM THE JACKSON COUNTY YOUTH FAIR ASSOCIATION FOR FUNDING FROM THE HOTEL-MOTEL TAX FUND</u>:
City Manager Doering noted that the Jackson County Youth Fair Association is requesting budgeted funds from the hotel-motel tax fund. Councilmember Kelley made the motion to approve funding the

Jackson County Youth Fair Association funding in the amount of $5,000 from the Hotel-Motel Tax Fund. Councilmember Callis seconded the motion. All voted AYE. Motion carried.

DISCUSS AND SET 2015-2016 BUDGET WORKSHOP DATES:
After discussion, the next Budget Workshop date was set for Monday, August 17, 2015 at 5:00 p.m.

DISCUSS AND TAKE APPROPRIATE ACTION TO AWARD BID FOR THE TCDP GRANT PROJECT FOR SEWER LINE IMPROVEMENTS:
Philip Huseman-KSA Engineers reported that on July 23rd KSA took bids for the sanitary sewer rehabilitation project and four (4) were received: Division to Maxine up to Allen. The lower bidder was about $248,000. The bidder respectfully withdrew his bid. The next bid was significantly higher at $391,500. It was noted that grant budget of $273,700 for construction. Huseman noted the grant bid was $273,700 for the project. Mr. Huseman recommended the council to reject the bids and allow KSA rebid to produce the scope of work to make it fall in the allotted grant funds available for construction. Councilmember Kelley asked who would pay for the cost of rebidding. Huseman stated that KSA would incur the cost. Councilmember Kelley made the motion to reject all bids and allow KSA to rebid. Councilmember Price seconded the motion. All voted AYE. Motion carried.

CONSIDER PAYMENT OF CURRENT BILLS:
Councilmember Kelley made the motion to approve payment of current bills in the amount of $403,396.64. Councilmember Price seconded the motion. All voted AYE. Motion carried.

CITY STAFF REPORTS:
"At this time, the City Council will hear reports / updates on all committees or department assignments which may include, but is not limited to the following: Police Department-grant updates, police reports; Fire Department-grant updates, fire reports; Public Works Department-park reports, water & sewer line updates; Street Department-street repairs/projects; City Manager & City Secretary-public information; Finance Director-financial report; Code Enforcement-progress reports on code issues. No formal action can be taken on these items."

Chief of Police Clinton Wooldridge reported the radio systems are changing and the costs for re-programming will be absorbed with grant funds. **Director of Public Works Brad Ryan** noted the City of Edna flag that is hanging at the new Flag Plaza only lasted about six (6) weeks. Plans are in the works for the flag to be replaced.

ADJOURN:
Councilmember Kelley made the motion to adjourn the meeting. Councilmember Vasquez seconded the motion. All voted AYE. Motion carried.

APPROVED:__________________________________
Joe Hermes, Mayor

ATTEST:______________________________
Becky Miska, City Secretary