

Minutes of City Council

The City Council Regular Meeting and Public Hearing of Monday, September 9, 2019

BE IT KNOWN THAT, a City Council Regular Meeting and Public Hearing of the City Council of City of Richwood was held Monday, September 9, 2019, beginning at 6:00 PM in the Richwood City Hall, 1800 N. Brazosport Blvd. Richwood, Texas.

I. CALL TO ORDER

The meeting was called to order at 6:03 p.m.

II. INVOCATION

The invocation was led by Pastor David Thompson.

III. PLEDGES OF ALLEGIANCE

Mayor Steve Boykin led the pledges.

IV. ROLL CALL OF COUNCIL MEMBERS

Steve Boykin, Mayor

Mike Johnson, Position 1

Melissa Strawn, Position 2

Matt Yarborough, Position 3

Mark Brown II, Position 4 - Absent

Katie Johnson, Position 5

Others present Lindsay Koskiniemi, Interim City Manager; John Washburn, Interim Finance Director; Kirsten Garcia, Court Administrator; Clif Custer, Public Works Director; Stephen Mayer, Chief of Police

V. PUBLIC COMMENTS

All public comments will be subject to the following rules: All speakers will be permitted to speak no longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker. Discussion is not allowed on items not posted on the agenda.

There were no public comments.

VI. CONSENT AGENDA

A. Approval of Minutes of Previous Meetings - August 26, 2019.

B. Payment of Bills

On motion by Mike Johnson second by Matt Yarborough with all present members voting “aye” all consent agenda items were approved.

VII. PUBLIC HEARING ON PROPOSED 2019 TAX RATE

The public hearing was called at 6:04 p.m.

John Washburn stated the proposed budget will raise more revenue from property taxes than last year’s budget by an amount of \$177,227, which is a 9.65% increase. The property tax revenue to be raised from new property added to the tax roll this year is \$71,848.

Property Tax Rate Comparison

	2019-2020	2018-2019
Property Tax Rate:	\$0.670204/100	\$0.670204/100
Effective Tax Rate:	\$0.630892/100	\$0.691118/100
Effective Maintenance & Operations Tax Rate:	\$0.573868/100	\$0.626605/100
Rollback Tax Rate:	\$0.737585/100	\$0.737310/100
Debt Rate:	\$0.117808/100	\$0.060577/100

Total debt obligation for CITY OF RICHWOOD secured by property taxes: \$354,143.

Public Hearing was closed at 6:06 p.m.

VIII. PUBLIC HEARING ON FY 2019-2020 PROPOSED BUDGET

Public hearing was called at 6:06 p.m.

John Washburn presented the proposed budget document attached and stated he would go into more detail during the budget workshop.

Public hearing closed at 6:09

IX. DISCUSSION AND ACTION ITEMS

A. Approve items removed from Consent Agenda

No items were removed from Consent Agenda.

B. Discussion and possible action on proposals from search firms for city manager recruitment.

Lindsay Koskiniemi stated three firms submitted proposals other than Ron Cox: SGR, Chris Hartone, Baker Tilley. All three are close in cost and in scope of

work. She stated they are all are equally qualified and offer similar services. Any one of them would be appropriate for this search.

Matt Yarborough asked if they were all still available and ready.

Lindsay Koskiniemi stated, yes. She added that SGR is very reputable and of the three, they are the only one I've worked with. I don't feel like I can comment on the work of the others, but based on their qualifications, they all look good.

Matt Yarborough asked if council had requested to meet with a representative from each firm.

Mike Johnson asked if any of the firms were local.

Lindsay Koskiniemi advised that she was not aware they wanted to have representatives attend a meeting, but she can reach out and have them come to our next meetings. She added that they were not local to our area, but two were from Texas and she can find out where the third is from.

Discussion held on locations of each firm.

Melissa Strawn ask the council how they would like to proceed; do they need to interview or just pick one.

Matt Yarborough stated he thought the council would be meeting with them, but at this point if they all look the same, we need to pick.

Lindsay Koskiniemi added that she can arrange for representatives to attend a meeting.

Matt Yarborough stated he doesn't want them to if we don't think that's needed, if everyone is good with picking now.

Discussion held on having representatives attend a council meeting.

Mayor Boykin stated that he has looked at the proposals they all look qualified, it's all up to council at this point.

Katie Johnson stated that she feels they all look comparable, within a few thousand dollars difference.

Mike Johnson asked if the council switch if we are unhappy with the work product.

John Washburn clarified that we will still be billed for their services.

Discussion held on the firms available to choose from.

Mike Johnson asked Lindsay Koskiniemi for her opinion.

Lindsay Koskiniemi advised council she did not feel it was appropriate for her to give her opinion on which firm to choose as she intends to apply for the position of City Manager. She doesn't want to create any conflict of interest.

Mayor Boykin stated that he's heard good about Chris and SGR, but again, it's up to council. He added that he is taking into consideration who is closer to our city and would be easier to meet with.

Matt Yarborough advised Chris is in Arlington along with SGR.

Mayor Boykin requested the council choose one who is closer with easier access to our city.

Lindsay Koskiniemi advised she can reach out to Joe Gonzales to submit qualifications; he is a colleague of Ron Cox.

On motion by Matt Yarborough second by Mike Johnson with all present members voting "aye", Chris Harton was selected as the firm for City Manager recruitment.

C. Discussion and possible action on interlocal agreement with City of Angleton for the provision of animal control services

Chief Mayer stated that not long ago we entered discussion with Angleton regarding Animal Control services. They have agreed to contract with us for round the close Animal Control services at \$15,00 per year. The police department is recommending approval of this contract.

Lindsay Koskiniemi advised council that this is a lot less of an expense than we had planned. This contract would save the public works department a lot of manhours and she feels this would be a great benefit to Richwood.

Melissa Strawn asked if this contract was for unlimited services, she remembers at one point it may have been limited to a certain number of call outs.

Chief Mayer advised yes; this is unlimited services. The only thing they will not handle for our City is deceased animals and the police department will have procedures in place to handle that.

On motion by Mike Johnson second by Katie Johnson with all present members voting "aye" it is approved to enter into an interlocal agreement with the City of Angleton for the provision of animal control services.

D. FISCAL YEAR 2019-2020 BUDGET WORKSHOP - General Fund, Enterprise Funds and Other Funds

Hand out's to be distributed to the mayor and members of Council

Presenter: John Washburn

John Washburn presented Council the attached Proposed budget for General Fund, Enterprise Funds and Other Funds.

John Washburn also presented Council the attached Streets Sales Tax Revenue & Fund Balance Analysis.

Melissa Strawn stated she had looked ahead to streets; can we use the restricted streets funds we currently have in place of what is in the proposed budget.

John Washburn advised that we are going to let it be reflected after October 1st in the audit, but it's not a revenue, it's a use a savings. He added that it does change the budgets overall view from the General Fund standpoint.

Matt Yarborough asked for clarification that the beginning unassigned balance of 1.3 million dollars, does that include the 117 thousand dollars that's taken out?

John Washburn advised that the 1.3 million dollars is based on a projection for the current year. He further explained how he gets to that number. The only audited number is the 841k dollars; As the auditor closes the year, whatever the new unassigned balance would have been, it will be short 117k dollars to move it to the restricted funds, if that's our accurate projection.

John Washburn continued his presentation to council on budget document attached

Matt Yarborough asked if the FEMA money was coming.

Lindsay Koskiniemi advised she had signed the reimbursement documents this week.

Discussion was held on the FEMA reimbursement amount.

John Washburn continued with presenting miscellaneous revenues, most due to the TML insurance claim filed by the Fire Department.

Discussion held on Fire Department TML insurance claim.

John Washburn continued his presentation on the Proposed Budget document attached

Melissa Strawn asked why the city's revenues were down in the Court's fines and fees.

John Washburn advised it could be several things, fewer citations being issued or more cases being dismissed, but that he couldn't specifically answer.

John Washburn continued with presenting the Proposed Budget.

John Washburn advised council of a possible expense regarding information technology. He stated we have multiple computers that will soon be exposed to the risk of ransomware if they are not replaced. About 10 computers at around \$1200 a piece.

Mike Johnson asked where the \$5000.00 was in the budget allotted for the ADA compliance to the building.

John Washburn stated, page 9 under Capital Outlay, building & structures.

John Washburn advised of the possible need to install ballistic glass, although we don't have bids, we have an estimate around 18 thousand dollars.

Mike Johnson asked if this was something we need to add when we are already working on budget.

John Washburn stated no, this is something he had thought you already had discussed to possibly be added into a 5-year plan.

Lindsay Koskiniemi advised that staff has been doing a risk management audit.

John Washburn added regarding Information Technology, it is hard to keep up with what's needed unless you have someone on staff dedicated to that area.

Mayor Boykin brought up the cities affected by ransomware in the state.

John Washburn stated the computers replacement are just something that are mission critical to protecting the city.

Lindsay Koskiniemi added that the ADA compliance was brought up about 6 weeks ago. She stated we had a complaint from someone who needed help getting into our building. She further explained the plan for the ADA compliance.

John Washburn continued with his presentation to council on the Proposed Budget.

Lindsay Koskiniemi asked if John wanted to talk about the phase in of salary currently paid by CCPD.

John stated that he was under the impression that Council was aware that salary and wages currently covered by CCPD would eventually be covered by the general fund. He added that he thought there would be a phase in over time. John further explained how the effective tax rate will affect the budget, possibly generating \$120,000 in additional revenue, but if General Fund is going to take over \$97,000 from CCPD, that is going to be coming out of the additional \$120,000. John added that there needs to be something considered or the CCPD fund balance will be depleted, and the city may run into an issue of cutting jobs. He thinks it is important for staff to plan for after the first of year before the next FY20-21 budget.

Lindsay Koskiniemi clarified that \$15,0000 of the \$97,000 is for the part time warrant that will stay with CCPD.

Matt Yarborough asked if the \$80,000 will be added to the budget in Fiscal Year 2020-2021.

John Washburn state he is under the impression that in FY 2020-2021 the General Fund will need to take it over and CCPD won't be paying anymore. He stated he is just trying to bring it up that council agreed to this by allowing the position to be created. Council could choose use fund balance until it's gone and use it in portions until you can phase the position fully to the general fund.

Melissa Strawn stated that some of these expenses won't be constants, such as the Maintenance & Repair on vehicles. She asked if they are recurring.

John Washburn stated there will always be need for M&R.

Melissa Strawn stated training is always needed for the Police Department, but it looks like a big jump.

John Washburn continued his presentation to council on the Proposed Budget.

Matt Yarborough regarding the fire department, asked if there was discussion on vehicle replacement fund.

John Washburn advised he didn't know anything about a vehicle replacement fund.

Lindsay Koskiniemi stated she believed that was regarding a vehicle sale.

Matt Yarborough stated, no, there was discussion between the Fire Chief and Michael that if a vehicle sells, the fire department would get the money.

Discussion held on possible vehicle sale and replacement fund for the fire department.

John Washburn continued his presentation to council on the Proposed Budget.

Clif Custer reported on preliminary information from Freese and Nichols regarding the city's I&I and advised Council that he will be bringing more data to them.

John Washburn advised Council that a smart investment is to reduce I & I. He added that you won't eliminate it, but you can reduce it.

John Washburn continued his presentation to council on the Proposed Budget and on the attached water rate analysis.

Mike Johnson asked if the users of 20,000 gallon or more are apartment complexes or individual residences.

John Washburn clarified that multifamily structures were not on this report, only small commercial, churches, and single-family residences. He added that this does not include apartments, but he does know that they are using 40% of the city's water usage but it is unknown at this time what kind of revenue they are generating.

Melissa Strawn asked if this report includes the schools.

John Washburn stated he was not aware of schools in the city, but our classification of accounts needs to be looked at. As far as he is aware, schools are classified as commercial.

John Washburn continued his presentation of the attached Water Rate Analysis.

Clif Custer stated that the rate study provided by TCEQ may not be this in depth. That what we are getting from TCEQ is a free study, but we aren't taking all the equipment into account. This is a report provided by a firm that could be high dollar.

John Washburn advised Council the TCEQ report could take up to a year to be completed

Mayor Boykin stated he could say from a water standpoint, it doesn't make sense to have a flat water rate after "x" number of gallons. There is no incentive for people to conserve. He added that the only way to get conservation is to raise the rate on those who have high usage. He stated he's seen people leave water running until we start tiering the rates then they pay attention to their usage.

John Washburn continued his presentation of the attached Water Rate Analysis.

Melissa Strawn stated that this usage report wouldn't include the school if you ran it in July.

John Washburn advised his plan is to prepare a report of a 12-month range. Seasons also consider for usage.

Matt Yarborough asked John if he was going to put the information into a spreadsheet and then use your tier rate and get to the same revenue.

John Washburn advised his plan is to build 5 models; one without the base bill and then 5 different tiers.

John Washburn continued his presentation of the attached Water Rate Analysis.

Melissa Strawn states she is curious about how many homes from this usage report were unoccupied from the flood. She stated she was not sure who can use less than 2000 gallons of water a month.

Clif Custer stated that Council would be surprised, that there are quite a few accounts that regularly have low usage.

Discussion was held on average water usage.

John Washburn continued his presentation of the attached Water Rate Analysis.

Matt Yarborough stated Council must get to this point, that we must get out of the hole we are in.

Discussion held on proposed water rate tiers.

Lindsay Koskiniemi stated that this progressive rate scheduled is more equitable and John has really helped us with understanding how this would affect the city.

Mayor Boykin stated that if we don't do this, sooner or later a subsidence district is going to be formed and implement their own tiers and it could be bad for the residents. He stated that he thinks we could use this model to recoup the losses and give them the incentive to slow down on usage. If we make it fair for those who use the least, you may not see a big increase in money, but you will see more conservation and you will see the citizens appreciate those using the most water paying their fair share.

Clif Custer stated he thinks this plan will get us prepared for the next decade, so when the time comes, that we are prepared for a big hit.

Discussion held on various water rates in the state.

X. CITY MANAGER'S REPORT

Lindsay Koskiniemi reported an update on the property at 215 Halbert. She stated at the last meeting Council discussed appraisal and she has Angleton Realty and Appraisal coming to appraise this week at a cost of \$600. The lot is over 17000 square feet / .4 acres. The only other alternative is a park, so she has asked KRB to prepare a plan for the space if we choose not to sell.

Lindsay is also soliciting RFQ/RFP for contracts that are 5 year or older including legal services and auditing firm. She advised that they are very old contracts and best practices is to review them.

She added that the interim audit begins next week.

Matt Yarborough asked regarding the property at 215 Halbert, that has been discussed or dreamed of possibly the fire department having that. He added that another idea is that Freedom Park is not getting very much use right next to the Fire Department. He stated the Fire Department would be interested in moving Freedom Park over to 215 Halbert and expanding the Fire Department into the current Freedom Park location

Clif Custer stated that it has been discussed and Public Works has no objections, but it is up to Council since its designated park land. He added that we can preserve the memorials and get them moved. KRB meets tomorrow and we can get more information on what their plan is for the garden.

Lindsay Koskiniemi asked if the Fire Department prefers to use the Freedom Park location or the property at 215 Halbert.

Matt answered the Freedom Park location.

XI. FUTURE AGENDA ITEMS

No items reported at this time.

XII. REPORTS

Reports that require no action.

A. Financial Reports

Report was given during budget workshop.

XIII. COUNCIL MEMBER COMMENTS & REPORTS

No reports were given at this time.

XIV. MAYOR'S REPORT

Mayor Boykin stated that Councilman Brown, Lindsay Koskiniemi, Chief Mayer and Clif Custer all met and talked about emergency management actions to consider for planning. He advised that at the end they came up with some ideas to help the city in the event of another flood. They looked at things we need for EOC, such as communications and alternative use scenarios. He advised they will meet again on Friday. He stated he just wanted to let everyone know that we are looking at our emergency management plans.

Mike Johnson asked if this was a special committee and if there were minutes taken. He stated as the only council member whose house flooded; he'd like the information on this. He also stated he'd like to have the entire council involved in this.

Lindsay Koskiniemi advised Council that if we have a quorum, we will have to hold it as a public meeting.

Discussion held on future meetings held on this matter.

Lindsay Koskiniemi stated that she did ask Katie Johnson to join in personnel policy review with the staff since she has background in HR.

Mayor Boykin advised Council that it wasn't intentional to not include all of Council, it was just an oversight. He added that he had no intention to leave any council members out. If other councilmembers want to attend, we will have to post it and get an agenda together. It was brought together in order to get ideas to bring to council.

Discussion held on possible meeting times and ways to improve on notification.

Mayor tasked Chief Mayer with working dates and times.

XV. ADJOURNMENT

There being no further business the meeting adjourned at 8:06 p.m.

These minutes were read and approved on this 16th day of September, 2019.

ATTEST:

Mayor

Court Administrator