

MINUTES
REGULAR MEETING
MINERAL WELLS CITY COUNCIL
CITY HALL ANNEX
June 7, 2016 - 6:00 pm

City Councilmembers present were Mayor Mike Allen, Mayor Pro-Tem John Upham, Councilmembers Clif Wright, Brian Reagan, Thomas Lively, Tammy Underwood, and Wayne Johnson. A quorum of City Councilmembers was present.

Staff members present were City Manager Lance Howerton, Police Chief Dean Sullivan, Fire Chief Mike Pool, Finance Director John Moran, Public Works Director Kelly Jones, City Clerk Juanita Formby, and City Attorney George Gault.

Mayor Allen called the meeting to order, Pastor Nathan Buchanan of the First Baptist Church of Mineral Wells gave the invocation, and the Pledges of Allegiance to the U.S. and Texas were recited.

CITIZEN COMMENT

No one had signed to speak under general comments, though three wished to speak under specific items, and these were held until that particular item was up for discussion.

Mr. Reagan moved and Mr. Upham seconded to approve the following **Consent Agenda** and the motion carried 7-0:

1. Consider minutes of previous meeting held May 17, 2016.
2. Consider approval of budgeted expenditures over \$500.
3. Consider approval of Financial Reports for the month ended February 2016.
4. Consider resolution declaring certain items in the Fire/EMS Department as surplus and authorizing disposition.
5. Consider resolution declaring certain items in the Police Department as surplus, Chapter 59 Forfeiture property, and authorizing disposition of same.

ITEMS FOR INDIVIDUAL CONSIDERATION

6. Mayor Allen opened a public hearing at 6:03 pm regarding a request for a change of zoning from Community Facilities (CF) to Commercial (C) on the old Cullen Grimes elementary school located at 1806 NE 1st Avenue in Mineral Wells. This item was discussed at the previous City Council meeting held on May 17, 2016, but action was tabled at that time until the applicant, John Bumgardner, could be present to answer some questions the City Council had. Owners of nearby property had expressed some reservations about the Commercial zoning, which is very broad in scope and will permit numerous uses by right, some of which may not be desirable in the residential neighborhood which surrounds

this location. The Planning and Zoning Commission had recommended to the City Council that the Commercial zoning be granted. Mr. Bumgardner was present, and he addressed the Council and offered to answer questions. He was not altogether settled on a specific use for the property, but mentioned perhaps a wedding venue or an art studio. The building is 100 years old and has a storied history in the community, but is now dilapidated and Mr. Bumgardner hopes to renovate it at significant personal expense. He hoped to apply for historic preservation grants to help defray the cost, and he would be more successful in getting funding if appropriate zoning was in place. Kevin and Kathleen Kimbro, who were present at the previous public hearing, were also present at this one and expressed that they wanted to see something happen with the building to restore it and preclude further deterioration, but would like to see more control for its use. During the discussion, Mr. Bumgardner said he would accept similar zoning that was not quite as broad, such as General Retail or Local Business, wherein there were fewer uses and they were more tightly controlled, but would still allow the building to be repurposed for something the community could benefit from. Parking and traffic in the area were also discussed. When all interested parties present had spoken, the Mayor closed the public hearing at 6:24 pm. Mr. Reagan then moved to pass and approve an ordinance amending the Zoning Ordinance of the city of Mineral Wells, Texas by changing the zoning designation of all of block 34, Block 84, and Block 85 of the Slaughter & Barber North Addition to the City of Mineral Wells, Palo Pinto County, Texas from Community Facility (CF) to Local Business (LB). Mr. Upham seconded, and the motion carried 6-0-1, with Councilman Wright abstaining from the vote due to a conflict of interest.

7. Mr. Howerton said that for several months the City has worked with the Area Growth Council to bring American Precision Ammunition, an ammunition manufacturing concern, to Mineral Wells. The Industrial Development Corporation Board of Directors met on February 8, 2016 to initiate the process to issue industrial revenue bonds to support the project. The Industrial Development Corporation met again on this date to finalize the bond issue process. The City Council is likewise required to take specific action by adopting a resolution to approve the bond issue. Mr. Mark Malveau of McCall Parkhurst and Horton, the City's bond counsel, was present to explain the financing process and fielded several questions from the Council. Matt Campbell of American Precision Ammunition was also present, and made a presentation. In response to specific questions from the Council, he speculated that ground breaking would take place in six to eight weeks, it might take 10 or twelve months to begin receiving equipment by truck and 90 days of training for new recruits. Mr. Barry Campbell of 605 N.W. 7th Avenue had signed to speak about this item, and encouraged the City Council to approve the bond issue and begin the process. Following the discussion, Mr. Reagan

moved and Mr. Upham seconded to adopt a resolution approving an Agreement by the Industrial Development Corporation of Mineral Wells to issue bonds for American Precision Ammunition, LLC dba Precision Ammunition, and the bond resolution providing for the issuance of such bonds. Motion carried 7-0.

8. Mr. Howerton said that in connection to the issuance of industrial development bonds to support the location of American Precision Ammunition in Mineral Wells, First Southwest Company is providing financial advisory services for the City. The City and First Southwest already have a contract for financial advisory services which was approved in 1999, but these particular services are not contemplated in that contract. The fee for the new services will be \$50,000, and will be borne by American Precision Ammunition as the user of the funds generated by the bond issue. Following the presentation, Mr. Upham moved and Mrs. Underwood seconded to adopt a resolution authorizing execution of a Financial Services Consulting Agreement with First Southwest Company relating to the issuance of industrial development bonds for American Precision Ammunition, LLC. Motion carried 7-0.

9. In regard to the filing of a rate increase by Texas Gas Service Company, Mr. Howerton recalled that several years ago, Mineral Wells and other area cities negotiated a method by which Texas Gas Service Company would establish its rates. Texas Gas Service would be allowed the greater of 35% or the Consumer Price Index as a basis for rate increases. City staff has reviewed this most recent filing and found it be within those parameters. That being the case, the City would take no action, allowing the rate to become effective. However, in this case, Councilman Reagan opposed the increase and asked for more information. Stacy McTaggart of Texas Gas Service was present. She is a Certified Public Accountant specializing in gas rate services. She explained the mechanics of rate making used by Texas Gas Service, which is regulated by the Texas Railroad Commission, and added that this past winter had been very mild and the company did not realize revenues from increased usage by its customers. In response to questions from the City Council, Ms. McTaggart said that if the Council opposed the rate, Texas Gas Service would open a rate case, which would be costly to the City to defend their position, and would also be costly in legal fees to Texas Gas Service, and they would in turn pass that expense along to the customers. After a lengthy presentation from Ms. McTaggart, Mr. Reagan thanked her for coming to speak, but did not feel it was fair that customers had to pay because there was a mild winter and Texas Gas Service did not realize as much revenue as it hoped. Mr. Reagan acknowledged that the customer was going to pay more regardless of any action taken by the City Council. He then made a motion to reject the Cost of Service Adjustment. There was no second and the motion was withdrawn. Mr. Upham then moved and Mrs. Underwood seconded to take no action, allowing the

rate to become effective, and this motion carried 5-0-1, with Mr. Reagan abstaining from the vote.

10. In previous meetings of the City Council, there was discussion about the method the City historically used to grant money to local non-profit organizations, and it was determined that the City needed a more precise method to make this determination. Therefore, an application process was devised, and non-profit organizations were invited to make application for money from the City. Several applications were received by the deadline in late February, and Mayor Allen named Councilmembers Brian Reagan and Thomas Lively to a subcommittee to study the applications and return to the Council with recommendations as to how the available funds should be distributed. Mr. Reagan explained the logic he and Mr. Lively considered when formulating their recommendations, and presented them as follows:

	<u>Requested</u>	<u>Recommended</u>
BOUNCE!	\$20,000	\$ 7,500
Mineral Wells Senior Center	\$13,000	\$ 8,000
Paul Lawrence Dunbar Group	\$ 7,200	\$ 2,500
Meals on Wheels	\$10,000	\$10,000
Mineral Wells Center of Life	\$14,400	\$ 4,000
Children's Alliance Center	\$ 7,200	\$ 3,200

There was a lively discussion among the Councilmembers, who each had thoughts about the various non-profits and the importance of the work they do for the community. Mr. Wright wanted to see more money given to the Children's Alliance Center (CAC); Mrs. Underwood wanted the same for BOUNCE! One point of the discussion was in regard to the Paul Lawrence Dunbar Community Group (PLD); wherein it was observed that a report given to the City Council by that group did not agree with the statement of expenses provided with their application. It was suggested that, in view of that significant discrepancy, the money recommended for PLD should instead be given to the CAC. The discussion resulted in changes to the recommended amounts as follows:

	<u>First Recommendation</u>	<u>Amended</u>
BOUNCE!	\$ 7,500	\$10,000
Mineral Wells Senior Center	\$ 8,000	\$ 8,000
Paul Lawrence Dunbar Group	\$ 2,500	\$ -0-
Meals on Wheels	\$10,000	\$10,000
Mineral Wells Center of Life	\$ 4,000	\$ 4,000
Children's Alliance Center	\$ 3,200	\$ 5,700

Mr. Reagan moved to grant the funding to the various non-profit organizations as discussed among the Councilmembers (and stated above as Amended), Mr. Lively seconded, and the motion carried 7-0.

11. Mr. Howerton said that approximately four years ago the City became a charter member of the UAS (Unmanned Aerial Systems) Consortium which was established through the Arlington Chamber of Commerce. The objective of the UAS Consortium was to develop capacity within the North Texas area to promote the growth and expansion of the UAS industry in this area. The City has been working to develop the ability to utilize the Downing and Dempsey Heliports as locations to support UAS research and development, manufacturing and testing. The FAA is now development rules and regulations guiding UAS activities in the national air space. Local officials are now looking at the possibility of using the local Downing and Dempsey facilities to support UAS activity.

City and County officials have been in talks with the UAS Academy, LLC to provide the appropriate training and prepare the necessary submittals to the FAA to proceed. Mr. Howerton presented an agreement between the City of Mineral Wells and the UAS Academy which contemplates a scope of services at a cost not to exceed \$14,400, with a contract duration of 10 months. The Palo Pinto County Commissioner's Court is agreeable with the use of the Dempsey facility for this purpose, and have taken action to underwrite 50% of the cost of the agreement with the UAS Academy, not to exceed an amount of \$7,500. An agenda item follows which would authorize the execution of an Interlocal Agreement with Palo Pinto County to formalize this partnership. Monies to support the City's share of this effort are available in the Economic Development Fund. Mr. Howerton felt that UAS activity is an emerging market in the aviation field and recommended approval of the agreement for use of the Downing and Dempsey Heliports by UAS manufacturers. Mr. Upham moved to adopt the resolution authorizing execution of the Agreement by and between the City of Mineral Wells and the UAS Academy, LLC, Mr. Lively seconded, and the motion carried 7-0.

12. Mr. Howerton then addressed an item related to the previous item just acted upon; that being an agreement between the City of Mineral Wells and Palo Pinto County to participate in the agreement with the UAS Academy for use of the Dempsey heliport facility, which is owned by the County, by UAS manufacturers. The Agreement with the County contemplates that Palo Pinto County will provide 50% of the funding not to exceed \$7,500. The Palo Pinto County Commissioners Court approved the subject Agreement on May 9, 2016. Following the discussion, <r. Reagan moved and Mr. Upham seconded to adopt a resolution authorizing execution of an Agreement between the City of Mineral Wells and Palo Pinto County to participate in a contract between the City of Mineral Wells and the UAS Academy, LLC. Motion carried 7-0.

13. Mr. John Moran reminded the City Council that on February 16, 2016 they had authorized staff to advertise and receive bids for repairs of storm damages to the City's buildings and

properties, resulting from a severe hailstorm in May 2013. Two bids were received on April 19, 2016. Bids were reviewed by Paul Presson of Independent Building Consultants and by the City's insurance carrier, Texas Municipal League Intergovernmental Risk Pool, as well as City staff. Mr. Moran now recommended that the City Council accept the bid submitted by Crawford Roofing of Chickasha, Oklahoma in the total amount of \$2,721,871. Mr. Upham so moved, Mr. Lively seconded, and the motion carried 7-0.

14. Mr. Moran said that the City's property damage insurance carrier, Texas Municipal League Intergovernmental Risk Pool (TMLIRP), will reimburse the City for expenses related to the construction inspection/observation services relating to the repair of hail-damaged water tanks/towers and building roofs to help ensure quality repairs and workmanship, up to 1.75% of the contracted amounts for the projects. The City's architect, Paul Presson of Independent Building Consultants of Lubbock, Texas, has assisted in preparing specifications for both of these projects and is very familiar with them. Therefore, staff recommends that the City Council authorize Independent Building Consultants to provide such services. Mr. Reagan so moved, Mr. Upham seconded, and the motion carried 7-0.

15. Mr. Howerton said that the City annually participates in the TxDOT Aviation Routine Airport Maintenance Program (RAMP) to defray the cost of recurring maintenance and other improvements at the Airport. This current budget provides about \$5,000 for herbicide treatments of the runway and taxiway edges. No other projects were contemplated for use with the RAMP Program, which allows for 50/50 participation up to a total project cost of \$100,000.

Among the buildings which were damaged in the recent hail storms was the City owned hangar which is currently occupied by Weir Aircraft. The hangar is quite old and the roof is in relatively poor condition. Texas Municipal League Intergovernmental Risk Pool, the City's property damage insurance carrier, assessed the damage to the roof and allocated \$163,239 in insurance proceeds to repair the roof. This amount of money would allow the City to spray a sealing treatment on the roof, but not to replace the roof itself. Instead of this partial repair, the architect is recommending that the City replace the roof with a standing seam roof panel system which would cost \$243,799, of which the City would pay \$80,000. The proposed roof replacement would be eligible under the RAMP Program and the City could receive reimbursement for half of the additional cost. This would be a long-term solution and TxDOT Aviation will pay 50% of the additional cost, therefore staff recommended approval of Amendment No. 2 to the current year RAMP Agreement which would provide for the recommended repair/replacement. Mr. Reagan moved and Mr. Upham seconded to adopt a resolution authorizing execution of Amendment No 2 to TxDOT

Aviation RAMP Agreement, TxDOT CSJ No M1602mnwl Fund Source 28350.
Motion carried 7-0.

16. Chief Sullivan presented an ordinance which would effect a temporary closure of S.W. 2nd Street near City Hall during construction/roof repair. Mr. Upham moved and Mrs. Underwood seconded to pass and approve an ordinance providing for the temporary closure of certain streets within the City of Mineral Wells to facilitate City facility repairs at City Hall and adjoining City properties, and the motion carried 7-0.
17. Chief Sullivan said that construction on MH 379 has been temporarily suspended, which would enable traffic to travel at a bit higher speeds until construction resumed. He presented an ordinance which would set the speed limit at 40 miles per hour. Following a brief discussion, Mr. Reagan moved and Mr. Upham seconded to pass and approve an ordinance amending the temporary rules of the road on a portion of MH 379 to raise the prima facie speed limit to 40 miles per hour pending completion of the project; superseding and repealing previously enacted provisions relating to the construction on MH 379; providing for a penalty, and providing for an effective date, and the motion carried 7-0.
18. Chief Sullivan advised that the North Central Council of Government (NCTCOG), established in 1987, has provided 9-1-1 regional services to the area, including the City of Mineral Wells and Palo Pinto County, for many years. Funding for these services is derived from a \$.50 fee placed upon all telephone bills. Currently, all of the funds collected go directly to the Texas State Comptroller, and remain there until the Texas Legislature appropriates funds to the Commission on State Emergency Communications (CSEC) for disbursement to respective Councils of Governments across the state. However, an issue arises when the legislature fails to appropriate funds to the CSEC and consequently to the COGs. Currently, the State Comptroller is holding approximately \$150 million dollars that could be used for 9-1-1 services, as was intended. During the last legislative session, SB 1108 was passed and amended the Health and Safety Code to permit a Council of Governments to establish a Regional Emergency Communications District within an area where the 9-1-1 service population is less than 1.5 million. The 9-1-1 service area for the North Central Texas Council of Governments meets the requirements of this law. In that regard, the NCTCOG seeks to create a North Central Texas Regional 9-1-1 Emergency Communications District. The creation of this district will allow all funds collected from the \$.50 fee on telephone bills within the district to be utilized for 9-1-1 services. A Board of Directors, comprised of local elected officials within the area served, will establish the policies and rules for 9-1-1 service delivery and will be determining the highest and best use of the revenue instead of a state commission. Once the District

is established, a meeting will be called to include representatives from each county and municipality served and can determine the appropriate governing board size and membership qualifications, to include at least a makeup of two-thirds of elected officials. For purposes of creating this district, each county and municipality currently provided 9-1-1 service by the North Central Texas Council of Governments must pass a resolution calling for the creation of the North Central Texas Regional 9-1-1 Emergency Communications District. There is no direct financial impact to the City of Mineral Wells. The NCTCOG currently provides the all equipment needed to operate the 9-1-1 public service answering point and related services. Financial impact overall should be positive, as all fees remitted within the service area will go directly to the Regional Emergency Communication District instead of a state entity. Following the presentation, Mr. Upham moved and Mr. Lively seconded to adopt a resolution authorizing creation of the North Central Texas Regional 9-1-1 Emergency Communications District. Motion carried 7-0.

19. Mrs. Formby said that the Mineral Wells Community Development Corporation Board of Directors was created by the Certificate of Formation of the Corporation following the 4B sales tax reallocation election which was held in May of 2014. The concurrent two year terms will expire on July 15, 2016, and each of the sitting members have said they wish to be reappointed to additional two year terms. The Mayor's Committee on Boards and Commissions (Councilmembers Tammy Underwood and John Upham) recommend the reappointment of each of the sitting members to new terms which will expire on July 15, 2018. The members of this Board are Mayor Mike Allen, Mayor Pro-Tem John Upham, Don Crawford, Brad Wilkerson, Beth Watson, Phil Garrett, and Harris Brooks. Mr. Reagan moved and Mr. Lively seconded to reappoint the sitting members as recommended. Motion carried 7-0.

20. Mayor Allen announced that the Mineral Wells City Council will begin an Executive Session on June 7, 2016 at 8:34 pm. The subject matter of the Executive Session deliberation will be pursuant to Section 551.071 of the Texas Government Code - Consultation with the City Attorney relative to pending or contemplated litigation. The Council adjourned into Executive Session.

21. The Mayor reconvened the City Council into open session at 8:51 pm to consider any action resulting from the Executive Session. Mr. Reagan moved and Mr. Upham seconded to authorize the Director of Finance to consult with a litigator who handles construction law litigation and take preliminary action regarding the Boyce Ditto Public Library construction contract. Motion carried 7-0.

22. There was no further business to be considered, and the meeting was adjourned at 8:52 pm.

/s/ Mike Allen, Mayor

ATTEST:

/s/ Juanita Formby, City Clerk

APPROVED: 06-21-2016