

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

City Councilmembers present were Mayor Mike Allen, Mayor Pro-Tem John Upham, Councilmembers Clif Wright, Brian Reagan, Tammy Underwood, and Wayne Johnson. There is one vacancy on the Council. 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 Dan Rasmussen of the New River Church of Mineral Wells gave the invocation, and the Pledges of Allegiance to the U.S. and Texas were recited.

Mr. Upham moved and Mrs. Underwood seconded to approve the following **CONSENT AGENDA**, and the motion carried 6-0:

1. Consider minutes of previous meetings held August 16 and August 23, 2016.
2. Consider approval of budgeted expenditures over \$500.
3. Consider authorizing payment to Corrosion Eliminators in the amount of \$64,819.19
4. Consider authorizing payment to Crawford Roofing in amount of \$562,329.70.

ITEMS FOR INDIVIDUAL CONSIDERATION

5. Mayor Allen announced that he would open the second public hearing regarding a proposal to increase the total property tax revenues and proposed budget line item increases. He said he would entertain comments only about the budget, the proposed tax levy, or proposed water rates, that other subject matter would not be discussed, and that each speaker would be allotted two minutes. He opened the public hearing at 6:03 pm, and first invited comments from the City Council.

Mr. Wright wanted to reiterate his previously-stated position that he opposed the increases. He said other taxing entities are raising their taxes and feels a seven cent increase is too much burden for taxpayers. He said he could support the City Manager's proposed three cent increase, which he feels is fair, and will cover us for the next year; and he is optimistic that

the Baker Hotel will become a reality, and generate more revenue for future years. He also felt a 10% water rate increase was too high for many of our people who are struggling with low incomes.

Mayor Allen said the best way to keep a low tax rate is to attract industry, and industry will not consider Mineral Wells if they see a Council who has not faith in their community's future, and seem unwilling to invest in that future. He felt the Council needs to step up - to set a tax rate which will generate enough revenue make a visible difference, rather than simply maintaining the status quo.

Choate Morgan of 3000 N.E. 10th Street said that for older people on fixed incomes any increase is a hardship and anyone who votes for an increase should be ashamed of themselves. But he understand that the City needs to grow. Mayor Allen reminded those present that for people over 65, City taxes are frozen, and they would not be subject to any tax increase.

Charlsie Blocker of 702 S.W. 10th Street said she's lived here all her life and has never seen the town in such bad shape. People don't mow and the streets are never repaired, and code enforcement does not respond to complaints. Mr. Upham said that the current proposal for increased revenue is to resurface streets in the LaGrande, Oak Ridge, and Holiday East residential additions. Mrs. Blocker said that the City Manager probably lived on one of those streets. Mr. Howerton said that he did not live in any of the subdivisions where the hoped-for improvements would be made. Mr. Wright defended the City's Code Enforcement division, saying he has seen their hard work and the positive outcomes of that. Mr. Howerton said that for several years, when the economy was better, the City had an aggressive street improvement program wherein several million dollars was spent on street reconstruction, and offered to show that to anyone present who would like to stay after the meeting.

Ginny Milliken of 605 N.E. 39th Avenue felt that the City is in bad condition from mismanagement of funds, also felt that speakers before the Council were disrespected, that they had to listen to feedback from the Council which made people not want to speak.

Charles Thompson of 506 Travis said that the City cannot repair streets with low taxes, that he supports additional tax revenue, and that he lives on a fixed income.

Caleb Shipman, who lives on Beletta Drive said he has lived here for ten years as the pastor of a church. He said people here cannot afford a tax or water rate increase. A result of any such increase would be that landlords will increase rents, which are already too high; that businesses would increase the cost of their goods and services, and that the people would bear the

burden three times over, and that government on all levels need to understand this.

Terri Glidewell of 1301 S.W. 16th Street said that code enforcement is not working and that the streets are bad. She did an on-line poll and said that 300 were against the increases and 2 were in favor of it. She also had a written petition with 900 signatures, opposing the increases, which she submitted to the City Clerk. Mr. Upham asked her if she knew how this extra money would be spent? She said she did not, but was supportive that Police and Fire should have what they needed. There was a brief discussion about the signatures on the petition, and if the signers were citizens.

Rachel Lively of 2013 S.E. 12th Street said that she appreciates the work the Council does and the limitations they have. She felt the projects planned for the money were necessary and especially likes that additional money is proposed for code enforcement. She reminded those present that if property owners don't clean up their property, the City must do so, and property owners often do not pay for that. She said she is a property owner and does not have a high income, but the tax increase will cost her an additional \$37 a year and she thinks it's worth it. She also reminded those present that folks over 65 will not be subject to the increase.

Kay Crippen of 501 N.E. 39th Avenue said she has lived here for 40 years. She recently planted a plant in a pothole in front of her street and it grew. She then removed the plant and filled the pothole herself. She said she voted years ago for a bond issue to cover the swimming pool and that was not done. She doesn't want to pay any more.

Bruce Simpson Jr. of 2209 N.E. 4th Street said that he father, who is retired from the City, has a collection of letters from Code Enforcement warning him to clean up his property. He's 82 years old and cannot clean up the property, and Mr. Simpson would like to see the letters stop.

Sandra Campbell of N.W. 6th Avenue said she and her husband moved here from New Jersey, and they picked Mineral Wells because it is a small town with wonderful people. Now she feels that she should go back to New Jersey. She feels the Police and Fire Departments should have what they need, but other expenses should be funded some other way. She felt there should be no water restrictions when the lake is full.

Charlsie Blocker spoke again, and asked if the City got sales tax that they were not supposed to get, why did the City spend it and now have to raise water rates to pay it back? Mr. Howerton explained briefly what happened, that the State Comptroller's office erroneously distributed sales tax receipts to a number of

local governments across Texas, all of whom had to pay it back, and none of whom were responsible for the error. Local governments have no choice but to trust in the competence of the State Comptroller's office, and they had no reason to believe that the money was not rightfully theirs to use. The City of Mineral Wells was required by the State to implement a repayment plan, as were several other local governments around the state, all of whom were financially damaged by the State's error. Further, water revenues go to an entirely different fund and are earmarked for expenses related to water, and that money cannot be used for this purpose.

Raymond Greenwood of 503 N.W. 4th Avenue acknowledged that the Council has a tough decision to make. He observed that if the City had not actually decreased its tax rate for several years, it might be in a better position today. He said the City cannot afford not to move forward; streets and infrastructure will always deteriorate, facilities will always need to be repaired and updated. We must bite the bullet and do what we must.

Joseph Blue of 304 S.E. 19th Street said he is in favor of the tax increase but opposed to the water rate increase. He observed that we just came off one of the worst droughts in history where we came very close to running out of water, and he thought this made people hypervigilant about conserving water. He surmised that over time, that tendency in people would disappear, and we would see an uptick in water usage, and therefore an increase in water revenue. He knows there will be increased rates when the Turkey Peak reservoir comes on line. He wants Police and Fire to be funded in their needs.

Mr. Wright then reminded those present that during the drought, water rates were increased to pay for the reverse osmosis system to treat water from the Brazos River. When the drought broke, he wanted to immediately go back to the pre-drought rates. Some others on the Council wanted to keep the increased rates as they were. Ultimately, the City went back to the pre-drought rates in January 2016.

Frank Bochik of 924 Shaw Street predicted that the Mineral Wells Wal-Mart will close, as it is losing money. He seemed to favor the proposed increases. He suggested that instead of starting street improvements and other improvements in the center of town, to start at the outskirts, as that is what people see first.

Charles Thompson said that people need to be aware that revenues generated by taxes and revenues generated by water sales are two different funds and that money must be kept separate, and be used for different, unrelated expenses.

Paul Schmidtke of 1605 N.W. 6th Avenue opposed the tax increase, referring to an op-ed article that he saw in the Index, which

suggested that the City issue bonds through a bond election to pay for projects. He said he was continually hearing from the Council the reasons something cannot be done, when he wants to hear them coming up with ways it can be done. Mr. Upham pointed out at this time that if a bond election passes and the City issues bonds, it is still the taxpayers who must repay the debt. Mr. Schmidtke said he works out of town, has discussed Mineral Wells with many of his friends in industry. He questioned something Mr. Reagan stated about the State of Texas controlling water rights. He said he has fresh eyes and fresh ideas, and invited the Council to call him if they wished to hear his ideas.

Michelle Nations asked if senior citizen taxes are frozen, does that mean they cannot go down? She was advised that it is a cap, that their tax rate can go down as will their tax bill, but their tax bill will never be higher than it is when they become 65 years of age.

Lori Schmidtke of 1605 N.W. 6th Avenue opposed the water rate and the tax rate increase. She suggested that the small improvements suggested for the extra money generated will not attract businesses to Mineral Wells. She also opposed water restrictions when there is no water shortage. Mayor Allen differed with that, saying that all Texas cities have gone to conserving water even in times of plenty, this being Texas and there will always be periods of drought.

Mr. Hernandez of 1806 S.W. 6th Avenue opposed the water rate increase but does not oppose the tax increase, because he thought Police and Fire Department needs should be funded. He believes there are other ways to bring in funds. He asked about the fluoridation of the City's water supply, if that was required, and what did it cost, and could that money be saved? He had read that it was not as beneficial as it is generally thought to prevent tooth decay. He also said he didn't drink the water because of its poor quality. Staff did not immediately have an answer as to the cost, and Mr. Reagan said we would get that information by the next meeting. Mr. Reagan said he would be willing to forego fluoridation of the water supply, as it can be a form of poison. Someone in the audience at that point asked if that information wouldn't be available until the next meeting, would the Council delay taking a vote? Mr. Reagan explained that no vote on the proposed increases would be taken tonight in any event; that it is simply a public hearing, and that final action on the budget, the tax rate, and probably the water rate will be taken two weeks from now. Mr. Reagan also talked about the City's aging water infrastructure, which was very old, and built to serve a city of much larger population. Rates have to be such that the City can afford to maintain this system, so we don't get behind the curve in maintenance.

Charles Thompson said that the experts say that fluoridation in the water is healthy and beneficial, and the City should make sure that it is safe to remove it. Mr. Reagan said that, given a choice, he would accept the water as God provided it, without fluoridation.

No one else was present to speak, and the Mayor closed the public hearing at 7:37 pm. Mrs. Underwood moved and Mr. Upham seconded to place an item on the agenda for the meeting to be held at 6:00 pm on Tuesday, September 20, 2016, to take a vote to adopt a tax rate. Mr. Reagan voted nay, all others voted in favor, and the motion carried 5-1.

6. Mrs. Formby told the City Council For some time, a \$1.00 fee has been built into the cost of birth and death records sold in the City Clerk's office; a fee which was sanctioned by the Health and Safety Code (Section 191.0045(h), and should be used for the preservation and security of vital records, and for training for personnel in the local registrar's office. This money has been deposited into the General Fund along with fees from the sale of birth and death records. Appropriate expenditures related to the preservation of records, such as record books, shelving, security paper, etc. have been made, but the \$1.00 fee has never been broken out and placed in a fund of its own. She asked the City Council to pass and approve an ordinance establishing a Vital Records Preservation Fund. Mr. Upham moved and Mr. Reagan seconded to pass and approve an ordinance of the City of Mineral Wells, Texas establishing a Vital Records Preservation Fund; providing for the assessment and collection of a vital records preservation fee; providing for severability; and providing for an effective date. Motion carried 6-0.
7. Chief Pool said that for many years the City of Mineral Wells Fire/EMS has provided services to areas of Palo Pinto County. This year Palo Pinto County created the Palo Pinto County Emergency Services District 1 (ESD 1), who in turn contracts with other agencies to provide these services. Prior to that, Palo Pinto County funded the Mineral Wells Fire/EMS department \$18,000 annually for the services. This is the first year that the ESD 1 is in existence, so Palo Pinto paid that money to ESD 1, who in turn, and by virtue of the subject agreement, passed the funds to the City of Mineral Wells for services rendered earlier this year. The subject agreement between the City and the ESD 1 is for the period 10-01-2015 to 09-30-2016. Following a brief discussion, Mr. Reagan moved to adopt a resolution authorizing execution of the subject agreement between the City of Mineral Wells and the Palo Pinto County Emergency Services District 1 for emergency medical services. Motion carried 6-1.
8. Chief Sullivan presented an ordinance which would temporarily close certain streets to facilitate the "Mineral Wells Idol"

event on October 1, 2016. Mr. Reagan moved and Mr. Upham seconded to pass and approve an ordinance providing for the temporary closure of certain streets within the City of Mineral Wells to facilitate a Mineral Wells Idol event sponsored by the First United Methodist Church and benefitting the Back Pack Buddies program to be held on October 1, 2016. Motion carried 6-0.

9. Chief Sullivan presented an ordinance which would temporarily close certain streets to accommodate the Our Lady of Lourdes Catholic Church Fall Festival, which will be held on September 17, 2016. Mr. Upham moved and Mr. Reagan seconded to pass and approve an ordinance providing for the temporary closing of a certain street to public travel during the Our Lady of Lourdes Church annual Fall Festival. Motion carried 6-0.

10. Mr. Moran reminded the City Council that the City is currently engaged in repairs of the storm damages to the city's buildings and properties. The contract with Crawford Roofing also included various renovations to the Gymnasium. In our overall evaluations, it was determined that the roof of the Gymnasium leaked to such an extent that it damaged the wood floor in the basketball court area. Crawford Roofing repaired the Gymnasium first, and the roof is now water - tight. Subsequently, it was determined that the windows on the north side of the Gymnasium leaked water to such an extent that they posed an additional threat to the wooden court floor of the Gymnasium. The City's Architect, Paul Presson, formulated a solution to repair the windows as well as water - proof the walls of the Gymnasium. Mr. Presson feels that by placing translucent fiberglass panels on the north side of the Gymnasium, not only will it stop water from penetrating the windows, it will also afford some measure of insulation. Unfortunately, our financial situation does not allow for water - proofing the walls at this time. However, we will need to plan for water - proofing the walls at some point in the future. Based upon the bid submitted and the apparent ability of Crawford Roofing to adequately complete the project, staff recommends that Change Request #1 be approved at a total cost of \$22,436. The money to fund this project will come from unallocated reserves. Mr. Upham moved to approve Change Order #1 to the contract with Crawford Roofing to install fiberglass window covers on the gym, Mrs. Underwood seconded, and the motion carried 6-0.

11. Mr. Moran said the contract with Crawford Roofing also included various renovations to City Hall building. In concert with their overall evaluations before proceeding with the roof installation, it was determined that the bricked exterior of City Hall was damaged to such an extent that it needed to be repaired before the new roof was installed. These damages were largely caused by freeze/thawing and other environmental factors. According to the City's Architect, this is an opportune time to repair the

damaged bricked areas, as we would not want to repair them at a later time and risk damaging our newly installed roofing system. If not repaired, these damaged areas will continue to degrade and allow water intrusion into the building. Based upon the bid submitted and the apparent ability of Crawford Roofing to successfully complete the project, staff recommends that Change Request #2 be approved at a total cost of \$25,600. The money to fund this project will come from monies derived from the Finance and Fire Departmental budgets. Mr. Wright moved and Mrs. Underwood seconded to approve Change Order No. 2 to the contract with Crawford Roofing, and the motion carried 6-0.

12. Mr. Moran said the contract with Crawford Roofing also included various renovations to the Police Department and Hilltop Water Treatment Plant. Subsequently, it was determined that prior to any renovations being initiated at the Police Department, asbestos abatement would need to be performed. (The costs to remediate asbestos and the mandated monitoring were not included in the original bid.) The Architect, Paul Presson, and the General Contractor, Crawford Roofing, solicited bids for asbestos abatement services and received three (3) responses, as follows:
- Classic Environmental
 - ESI Environmental
 - Texas Environmental

Based upon the bid submitted and the apparent ability of Classic Environmental to adequately complete the project, staff recommends the remediation project be awarded to Classic Environmental, for a total cost of \$8,150. Based upon the Architect's recommendation, staff recommends that King Consulting be authorized to monitor the Police Department asbestos remediation project in an amount not to exceed \$3,350. The total cost of the asbestos remediation project, including all required monitoring and the Architect's fee of \$575, is \$12,075. Mr. Moran said that the asbestos abatement work necessary at the Hilltop Water Treatment Plant will be paid for by the Water Board in its entirety. Mrs. Underwood moved and Mr. Reagan seconded to accept the bids for asbestos abatement at the Police Department facility, award the bid to perform the work to Classic Environmental in the amount of \$8,150.00 and to retain the services of King Consulting to monitor the remediation process for \$3,350, and to accept the fee of \$575 for the Architect, for a total project amount of \$12,075. Motion carried 6-0.

13. Mr. Moran gave a presentation about the possible creation of a Municipal Storm Water Utility Fund, a mechanism sanctioned by the Texas Legislature to fund municipal storm water improvement projects, and which would be a third utility fund for the City of Mineral Wells, if created. Mr. Moran presented a list of several storm water projects sorely needed in Mineral Wells, which such a fund would finance. He said a fee is assessed against developed commercial and residential property based upon the area of

impervious surface it has. The charge would be shown separately on water bills. A drainage master plan would be needed to implement this program, and would be funded from the fees generated. Public hearings would be required. He gave a list of area cities and their fees for their municipal storm water utility funds, speculating that a typical residential fee in Mineral Wells might be \$2 monthly. There was discussion about exemptions for businesses that had a lot of green space, and it was confirmed by staff that this was typical. Following the presentation Mr. Reagan said he would like to see an ordinance on the agenda for October 4, 2016 for creation of the fund. No further action was taken at this time.

14. There was no further business to be considered, and the meeting was adjourned at 8:55 pm.

/s/ Mike Allen, Mayor

ATTEST:

/s/ Juanita Formby, City Clerk

APPROVED: 09-20-2016