

**MINUTES**  
**REGULAR MEETING**  
**MINERAL WELLS CITY COUNCIL**  
**CITY HALL ANNEX**  
**October 18, 2016 - 6:00 pm**

City Councilmembers present were Mayor Mike Allen, Councilmembers Clif Wright, Brian Reagan, Tammy Underwood and Wayne Johnson. Mayor Pro-Tem John Upham was absent. 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, Finance Director John Moran, Public Works Director Kelly Jones, City Clerk Juanita Formby, and City Attorney George Gault. Fire Chief Mike Pool was absent.

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.

Charles Thompson of 506 Travis Drive had signed a speaker card, and Mayor Allen recognized him. He spoke in opposition to the proposed drainage utility fund which would add a nominal amount to water bills.

Mr. Reagan moved and Mrs. Underwood seconded to approve the following **CONSENT AGENDA**, and the motion carried 5-0:

1. Consider minutes of previous meetings held October 4, 2016.
2. Consider approval of budgeted expenditures over \$500.
3. Consider approval of Financial Report for month ended July 2016.
4. Consider resolution accepting donation of \$100 from Texas Farm Bureau Mutual Insurance to the Mineral Wells Fire/EMS Department.

**ITEMS FOR INDIVIDUAL CONSIDERATION**

5. Mayor Allen opened a public hearing at 6:03 pm regarding a request for a zone change and a Specific Use Permit from Brazos Valley Spring Water. Both of these items are in regard to property located at 4500 Highway 180 East in Mineral Wells, the current location of Brazos Factory Stores. The applicant is acquiring the property in order to use the building for a water bottling facility. The Planning and Zoning Commission had met on October 13, 2016, to consider these items, and now recommend to the Council that they be granted. Mr. Bryan Horton, a principal with the company, was present, and spoke about his company and answered a few questions from the City Council. The company has operated successfully in Millsap for eleven years, and are now

looking for a larger facility, and hoped to locate in Mineral Wells. This property became available and suits their purposes. He spoke about how the operation would work and said that they would initially employ about 30 people, and up to 40 with expansion. They would be using up to 30,000 gallons of water a day, and with the planned expansion, about 50,000. No one was present to speak to this matter, and the public hearing was closed at 6:18 pm. Mr. Reagan moved and Mrs. Underwood seconded to pass and approve an ordinance amending the Zoning Ordinance of the City of Mineral Wells, Texas by changing the zoning designation of a 5.437 acre tract of land out of Section No 5, T&P RR Company Survey, Block A, EOB, Abstract No. 870, Palo Pinto County, Texas from Commercial District (C ) to Light Industrial (LI). This motion carried 5-0. Mr. Reagan further moved that the Specific Use Permit to operate a bottlenworks facility at this location also be approved as recommended by the Planning and Zoning Commission; Mr. Wright seconded, and the motion carried 5-0.

6. Mr. Steve Butcher of the Area Growth Council and Mr. Richard Ball of the Mineral Wells Industrial Foundation (MWIF) were present to give a presentation about the Industrial Foundation and how it works, and also to give an update of current projects. Mr. Butcher said that the MWIF was founded in 1957 by a local group, to be a non-profit organization created for the purpose of job creation with an emphasis on industry. It has 778 members who are individuals and companies, and it meets once a year in October. Its meetings are open to the public, as are all of its Board meetings. The Foundation Board is made up of 15 directors. None of the members receive compensation. In 1965 the Foundation raised \$350,000 in local donations to bring Mepco Electra, later Philips Components (an electronic component manufacturing concern) into Mineral Wells, and it was a major employer here for a number of years. In the early 70s the MWIF assisted the GSA to dispose of property at Wolters after base closure, and received commission for that. The MWIF does not have a regular income stream. In 1993 the Foundation created the Area Growth Council and retained Mr. Butcher as an industry recruiter. The Area Growth Council is funded through the MWIF, the City, Palo Pinto County, and the Chamber of Commerce. Since his employment, Mr. Butcher has been involved in 16 relocations, 12 expansions, and 16 new startups, representing some 1700 new jobs, and \$160 million in new tax base. Mr. Butcher said yes, as is the nature of business, sometimes they fail, or relocate elsewhere. Mr. Butcher says he received RFPs daily from various industries. Some are seeing amenities that are not available locally, or for a variety of reasons, don't fit the criteria that Mineral Wells has to offer. If they do seem to be a good fit, he sends the information about the community. Using state and federal programs, we can also offer them incentives; and often help small industries create a business plan and a forecast, which is needed in order to apply for grant opportunities for them. Mineral

Wells is the state's most frequent user of the Texas Capital Fund, a program operated out of the Texas Department of Agriculture to encourage industries to locate in rural areas. The Foundation and the Area Growth Council helps them to negotiate with lenders to get needed capital. The Area Growth Council spends over \$100,000 annually, and Mr. Butcher mentioned some of the budgeted expenses. The City's contribution is \$50,000 annually, and the City realizes a return on that investment through new property taxes. Over the past 24 years, the City has invested about \$850,000 in this effort, and has realized a return on this investment of just under \$5 million in new taxes. Palo Pinto County has similarly expended money and realized a return. The Industrial Foundation and its steering committee (made up of one representative from the City, the County, the Industrial Foundation, the Chamber, and the Mineral Wells Index) have three or four joint meetings a year, and anyone who is interested can come to these meetings. Mr. Butcher sends out notices, and anyone who is interested can ask to be included on the notification list. By way of an update, Mr. Butcher discussed American Precision Ammunition, Science Projects Inc. and Brazos Valley Spring Water bottling, all new start up concerns recruited through the Industrial Foundation and the Area Growth Council. In response to questions posed by Councilman Wright, Mr. Butcher reiterated for the record that the City of Mineral Wells bears no expense beyond the annual its contractual \$50k contribution, and no member of the City Council receives any money through industrial/business recruitment.

7. Mr. Howerton said that the City had contracted with Mr. Wes Jurey to oversee the Envision Mineral Wells program, a plan to identify and implement goals and objectives for the future growth of Mineral Wells. The term of this agreement was for six month, and it will expire on November 3, 2016. Mr. Howerton said that Mr. Jurey has ably carried out the activities specified in the agreement, which are still ongoing, and he recommended that the contract be extended for an additional six months. The total cost of the new six-month extension is \$18,000, which funds are available in the Economic Development Fund. Mr. Reagan made a motion to disapprove the extension of the contract. There was no second, and Mr. Reagan withdrew his motion. Mr. Wright then moved and Mrs. Underwood seconded to approve the personal services agreement with Mr. Wes Jurey for an additional six months from November 3, 2016, and the motion carried 4-1, with Mr. Reagan voting nay.
  
8. Mr. Howerton reminded the City Council that the City, with financial assistance from Palo Pinto County, has been working to promote Unmanned Aerial Systems (UAS) activities in Mineral Wells and Palo Pinto County. The City entered into a contract with the UAS Academy to receive staff training, as well as other direction to promote our community as a location for UAS activity. There

is a need to provide training opportunities for individuals seeking to obtain FAA approved status for the operation of small UAS. To that end, the City proposes to sponsor an introductory class to be conducted in conjunction with the UAS Academy. Mr. Howerton provided a description of the curriculum and expenses associated with conducting the class. It is recommended the City enter into a contract with the UAS Academy in an amount not to exceed \$4,800 to provide class instruction, as well as all materials necessary to conduct the two day class. We would also request the approval of expenditures up to a maximum of \$2,000 for incidental costs associated with promotion and project administration. These costs would be offset by charging a fee of \$375 per student with the expectation of 20 students enrolling in the class. Financial transactions would be handled through the Economic Development Fund. Mr. Howerton recommended that the Council authorize these expenditure as a means to continue the City's efforts to promote UAS activity in the Mineral Wells/Palo Pinto County area so as to keep the community in the forefront of UAS involvement in North Texas. Mr. Reagan moved to accept the recommendation and authorize a contract with the UAS Academy in an amount not to exceed \$4,800.00 and additional expenditures not to exceed \$2,000. Mr. Wright seconded and the motion carried 5-0.

9. Mr. Howerton presented a list of substandard structures which had gone through the condemnation and were submitted for demolition by the Board of Adjustment/Building and Standards Commission. He said the demolitions would be advertised appropriately and opened on November 8, 2016, with a possible bid award at the regular City Council meeting to be held on November 15, 2016. Mr. Reagan moved and Mrs. Underwood seconded to approve the bid specifications and authorize staff to advertise and receive bids for the demolition of the subject structures. Motion carried 5-0.

10. Chief Sullivan said the Our Lady of Lourdes Catholic Church has postponed their annual fall festival, which will not be held on November 5, 2016. Typically a portion of N.W. 3<sup>rd</sup> Avenue, between N.W. 1<sup>st</sup> Street and N.W. 2<sup>nd</sup> Street, is temporarily closed to accommodate the festivities. Following a brief discussion, Mr. Reagan moved and Mr. Wright 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 5-0.

11. Chief Sullivan advised that the Texas Code of Criminal Procedure requires all law enforcement agencies receiving proceeds or property under this chapter to account for each seizure, forfeiture, receipt, and/or specific expenditure of the proceeds and property held by the agency in an annual audit. Chief Sullivan presented the subject audit for fiscal year 2015-

2016, saying it had been reviewed by the Director of Finance, and was then submitted to the Texas Attorney General in accordance with the law. No deficiencies were found in the audit. Following the presentation, Mr. Wright moved to approve the audit, Mrs. Underwood seconded, and the motion carried 5-0.

12. Chief Sullivan advised that the Texas Code of Criminal Procedure authorizes a portion of forfeited funds to be directed toward non-profit programs that provide services for victims of crime or abuse, and such donation must be approved by the governing body. He presented a resolution designating the Children's Alliance Center for Palo Pinto County to be the recipient of such funds for fiscal year 2015-2016. Following a brief discussion, Mr. Wright moved to adopt a resolution authorizing the donation of Chapter 59 funds held by the Mineral Wells Police Department to the Children's Alliance Center for Palo Pinto County in the amount of \$700, Mrs. Underwood seconded, Mr. Reagan abstained, and the motion carried 4-0-1.

13. Mr. Moran reminded the Council that in the summer of 2016 they made awards of funds to certain non-profit organizations in compliance with a policy adopted to regulate and direct such donations which was approved by the City Council on November 3, 2015. Agreements were crafted between the City and the non-profits to set out the terms. Per opinion of the City Attorney, two of the subject organizations, the Mineral Wells Senior Citizens Center and BOUNCE! were excluded from the necessity of a formal agreement. The awards of funds are as follows: Children's Advocacy Center - \$5,700; Mineral Wells Center of Life - \$4,000; Meals on Wheels - \$10,000; BOUNCE! - up to \$10,000; and Senior Center - \$8,000. Following a brief discussion, Mr. Reagan moved and Mrs. Underwood seconded to approve agreements between the City of Mineral Wells and Meals on Wheel of Palo Pinto County, the Children's Alliance Center for Palo Pinto County, and the Mineral Wells Center of Life of Palo Pinto County. Motion carried 5-0.

14. Mr. Moran has brought to the City Council at a past meeting the recommendation to establish a Municipal Drainage (Storm Water) Utility Fund, which would generate funding for drainage projects. This Fund would be created by ordinance, and would entail the collection of a surcharge from all utility customers. For the first year, it is being recommended that the surcharge be \$2.50 monthly for each utility customer, both residential and commercial/industrial. In subsequent years, the surcharge would be calculated based on the amount of impervious surface owned by that customer; ergo, businesses/industries etc. with large areas of paved parking and large buildings would pay a fee calculated on that area. Mr. Moran said that Mineral Wells experiences severe flooding at least once most years; the

drainage canal has had little maintenance or upgrade since it was constructed in the 70s. Several years ago the City embarked on the creation of a Drainage Master Plan, but a state/national economic downturn relating to the gas/oil industry occurred, negatively affecting the City's revenues, and the project had to be shelved. Drainage culverts all over town are blocked and need to be repaired/replaced. Flooding downtown serves as a deterrent to new businesses locating there, as much of it is in the floodway/floodplain. Mr. Moran said the initial monthly fee of \$2.50 for each utility customer would result in \$186,000 in a year, which would fund the necessary engineering studies. Mr. Moran explained the mandated process for implementing the fund, which would include the publication of the entire ordinance three times, and public hearings on the ordinance and the associated charges. He also advised the Council that this would be a minimum five-year commitment. The ordinance that was provided is a sample, intended to be edited, and Mr. Moran told the Council that if they wished to proceed, any changes to the ordinance they would like to see must be made prior to publication. There was significant discussion regarding authorized exemptions to the charges; the law requires that school districts, counties, and housing authorities be exempt. In the discussion, Mr. Reagan asked that churches also be a proposed exemption, as they give back to the community. Mr. Johnson felt more comfortable seeing the final ordinance before voting, and suggested that the matter be postponed. However, Mr. Moran said that he could make changes to the ordinance so that the Council could consider it further tonight, given a few minutes. With that, Mayor Allen recessed the meeting at 8:05 pm to permit Mr. Moran time to do so.

The meeting was reconvened at 8:26 pm, and Mr. Moran distributed copies of the revised ordinance, which contemplated a public hearing to be held at the regular City Council meeting scheduled for December 6, 2016. Mr. Reagan moved and Mrs. Underwood seconded to accept (but not adopt) the ordinance as revised for publication, Mr. Wright voted nay, and the motion carried 4-1.

15. Mayor Allen announced a closed Executive Session pursuant to Section 551.074 of the Texas government Code, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the City Attorney. The closed meeting began at 8:32 pm.
16. Mayor Allen reconvened the City Council into open session at 9:09 pm, to consider any action resulting from the Executive Session. Mr. Reagan moved and Mrs. Underwood seconded to authorize staff to advertise Request For Qualifications (RFQ) to be considered for the City Attorney position, and further to authorize Mayor Allen to appoint Councilmembers Clif Wright and Wayne Johnson to a subcommittee to assist staff in screening the RFQs received. Motion carried 5-0.

17. There was no further business, and the meeting was adjourned at 9:10 pm.

/s/ Mike Allen, Mayor

ATTEST:

/s/ Juanita Formby, City Clerk

APPROVED: 11-01-2016