

Montgomery City Council-----March 24, 2015

Montgomery City Hall-----6:00 p.m.

Present:	Jon Bickford	Position # 1
	John Champagne	Position # 2
	Kirk Jones	Position # 3 (Mayor Pro Tem)
	Rebecca Huss	Position # 4
	Dave McCorquodale	Position # 5
	Jack Yates	City Administrator
	Larry Foerster	City Attorney

Mayor Pro Tem Kirk Jones declared a quorum present and called the regular meeting to order.

John Champagne gave the invocation.

Mayor Pro Tem Jones introduced the new City Secretary Susan Hensley, and recognized the outgoing City Secretary Carol Langley. Mayor Pro Tem Jones advised that the Council Meetings would now be recorded for record keeping purposes, as requested by the City Secretary.

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

Mike Newman, President of the Board of Directors for Fernland, gave an update on the progress of what all they were doing. Mr. Newman advised primer painting had been done on the Simonton residence, and it would be finished with two coats of paint when the weather permits. Mr. Newman stated that the work was being done by volunteers, two of which were with Habitat for Humanity. Mr. Newman said that the cost of the paint was approximately \$3,600, had been paid for by donations. Mr. Newman also advised that the Eagle Scout project had replaced the steps and rails to the Crane cabin for approximately \$2,000 that had been paid for by donations to Fernland.

Mr. Newman stated that they would have two projects coming up soon that they are hoping will be covered by donations; one being the repairs to the Crane cabin, and a project in the residential section, which was damaged by vandals.

Jon Bickford asked if there was a movie being filmed at Fernland. Mr. Newman advised that there was a video made there yesterday by Mid-South Synergy. Mr. Newman said that he obtained permission from the City Administrator and he had been present the entire time. Mr. Newman said that there was no damage by the crew and they were very professional.

John Champagne said that all the things that are coming up sound great and asked that the City Administrator be notified of what is going on. Mr. Newman advised that when there is a full Council he intended on asking the Mayor of Huntsville, who is also the Director of the Sam Houston State Museum, to come and speak to Council. Mr. Newman advised that they could make Fernland a living museum if they could get an archivist on board and exchange items with Sam Houston State. Mr. Newman said that they would try to do a better job of keeping the City aware of what it going on. Jon Bickford stated that whatever they were sending to Erik Smith should be sent to the City Administrator. Mr. Newman advised that he would do that. Mayor Pro Tem Jones suggested that they put Mr. Newman on the Council Agenda

once a quarter as a report rather than the public comment section. Mr. Newman stated that it was nice to see the people that are coming out, which is one of the reasons that the City decided to do this project, and he felt that it was a big advantage to the City. Mayor Pro Tem Jones said that they appreciated what Mr. Newman and the others do out there.

Mr. Jack Yates, City Administrator, advised that he and Mr. Newman had discussed the parks, and they would be getting together in the future.

Mr. Larry Foerster, City Attorney, speaking as the Historical Commission Chairman, and advised that the County gives the County Historical Commission a significant amount of money for reimbursement of funds. Last year they paid \$10,000 to Montgomery Historical Society for roof repairs to the old Post Office, and in the past they have also paid for other buildings in Montgomery, as well as Willis, Magnolia and Conroe. Mr. Foerster said that he would get together with Mr. Newman, because some of those expenses might be able to be submitted to the Historical Commission for reimbursement.

Mr. Phillip Lefevre said that he was a little worried with some of the changes that the City is doing, and wanted to emphasize the importance of keeping volunteers. Mr. Lefevre said that he felt the City had cured its problem now that Mr. Yates was here, and Mr. Foerster will add a lot to it. Mr. Lefevre felt it was very important for the City to recognize that these volunteers raise substantial sums of money that the City cannot, and a lot of the funds they raise are done on a relationship basis. Mr. Lefevre said that his favorite thing was the Water Board that the City disbanded after six months. Mr. Lefevre stated that he feels that the volunteers are an integral part of the progress. Mr. Lefevre said that he felt the City had to think outside the box as they move forward. Mayor Pro Tem Jones thanked Mr. Lefevre and commented that it was well said.

CONSENT AGENDA:

1. Matters related to the approval of minutes for the regular meeting on March 10, 2015.

Rebecca Huss made the motion to accept the minutes as presented. Dave McCorquodale seconded the motion.

Discussion: John Champagne stated that Mr. Yates had mentioned a Memorandum of Agreement between Memory Park and the City, and asked if Council could get a copy of that Agreement later in the week. Mr. Yates advised that he had spoken to Memory Park regarding the Agreement, and they are going to send him a copy, then he will send out the Agreement to Council.

The motion carried unanimously. (5-0)

CONSIDERATION AND POSSIBLE ACTION:

2. Consideration and possible action on department reports:

- A. Administrator's Report

City Administrator Yates gave his report to Council, and advised that he had a few items that he needed to go over with Council. Mr. Yates said that he met with County Commissioner Mike Meador, and advised that he was getting closer regarding the Lutheran Church, so they can get the streets paved and receive their \$10,000.

Mr. Yates said that he needed to find out if the City wanted to sponsor a community meeting regarding the Bond Election at 6:00 p.m., to be held sometime in early April. Rebecca Huss asked for confirmation that the City Council would not have to say whether they were for or

against the Bond, they would just be providing a forum for the meeting. Mr. Yates advised that was correct. Council agreed that it would be a good opportunity for citizens to be able to come and ask questions.

Mr. Yates stated that he had a conference call with Kroger this afternoon, and they confirmed that they would be moving into the City of Montgomery and expected to open in 2016.

Mr. Yates advised that the Texas Capital Grant was not filed due to lack of information, and that there would probably have another Resolution at the next Council meeting. Mr. Yates advised that the Montgomery Economic Development Corporation ("MEDC") had discussed the issue of standing behind the \$450,000, and at their last meeting they had agreed that if the grant does not go through they will pay for it. John Champagne asked if that would be a budget item for MEDC. Mayor Pro Tem Jones advised that it would be a budget amendment if that occurred. John Champagne asked if it should be a contingency of some sort that the funds were set aside. Dave McCorquodale stated that he agreed that there needed to be something written to make sure that the MEDC was reimbursed fairly, if they are going to front the funds.

Rebecca Huss stated that people that build along that line and benefit from it should pay their pro rata share, and at some point the City should get their money back, and it should be in agreements on how the funds are reimbursed.

Mr. Foerster advised that there are a number of cities that do provide a pro rata requirement that is set out in an ordinance, which is something that the City might want to look at developing. Mr. Foerster stated that there are ordinances out there that the City could follow. Rebecca Huss stated that she felt that was absolutely crucial before any line gets laid, that an agreement is set up and agreed upon.

Mr. Foerster advised that if the funds are coming from MEDC he would need to review how that would be worked through carefully. Mr. Foerster said that typically the money is reimbursed to the cities, and he felt that the City could enter into an interlocal agreement by which the City in turn would reimburse the Corporation.

Mayor Pro Tem Jones said that he felt it would be cleaner if the MEDC gave the money to the City and the City made the expenditure. Mr. Foerster said that would probably be correct. Council agreed that they needed to have a legal agreement before the funds were expended, and it needed to be started on now.

Mr. Yates advised that at the special Council meeting to be held on March 31, 2015, the Engineer has asked to speak regarding the Transportation Alternative Projects and on the timing of the projects. Jon Bickford advised that he would not be able to attend the special meeting.

John Champagne asked if Mr. Yates had established a time line or a tentative time when he would get the Park Boards together. Mr. Yates advised that in one month he would have a draft agreement together.

B. Public Works Report

Mike Muckelroy Utility Foreman, presented the report to Council. Rebecca Huss thanked Mr. Muckelroy for replacing the meter cover in the parking lot at City Hall.

C. Police Department Report

Police Chief Napolitano presented the report to Council. Chief Napolitano thanked the police command staff, Sergeants and the Lieutenant, for taking care of everything and doing a great job while he was absent for two weeks. Chief also thanked Mike Muckelroy and maintenance for helping the Police Department by replacing the missing speed limit signs along with the "no thru truck" sign, and the additional 30 mph signs on Liberty Street.

D. Court Department Report

Court Administrator Becky Lehn presented the report to Council. Ms. Lehn advised that they also held a warrant round up this month, which would show up on the next month's report.

E. Utility/Development Report

Ashley Slaughter, Utility Clerk, presented the report to Council. Mayor Pro Tem Jones asked if there was any explanation for the high usage of 1,000 at Mia Lago, when no one is residing there. Ms. Slaughter advised that the sales person at Mia Lago said that she thought a truck had run up on the yard and hit a water line, but she did not really have an explanation of what happened. Ms. Slaughter advised that after speaking with Mr. Yates, she was advised to reduce the bill to cost. John Champagne asked why the bill was reduced. Mr. Yates advised that he reduced it because this bill was so high and he thought it might have been a meter problem or some other type of problem. After discussion, Jon Bickford stated that as a rule, when someone leaves water running it should not be the City's problem, if they have a house they should be responsible for the water.

Council discussed looking at whether the rental fees for the Community Building cover the cost of it being used, such as the type of event and how long it is used, and inspection of the building upon completion. Council also agreed that old accounts, where people have walked out on bills, needed to be looked at, and the amount of the utility deposits reviewed. Council concurred that this was a good report and asked that it continue.

Chief Napolitano advised that he would get with Ms. Slaughter and Mr. Muckelroy regarding weekend events to have the Police Department go by and take a picture of the building and make sure that the building is secured. Chief Napolitano advised that they would work out a schedule for the inspections. Rebecca Huss said that it could be on the information form that the Police Department would be coming to check the building.

Frank Garcia with H2O presented the water production report to Council. After discussion, John Champagne asked that the water and billing reading reports be synchronized.

Rebecca Huss stated that the last time that they met they discussed pumping as much as possible out of Well No. 4, and if the top numbers on the report are the correct, they are not even close to that. It looks like Well No. 4 is the worst well and it needs to be the top producing well. Mr. Garcia advised that a couple times in February and in March Well No. 4 had electrical issues. Mr. Garcia advised that Well No. 2 ran a lot more in February, which was the well behind the library that runs at night, and if they don't run that well at night the pressure in the City drops.

John Champagne advised Mr. Yates that as far as he was concerned, Well No. 4 needed to be engaged in a much greater way, as they had discussed before. John Champagne said that Mr. Garcia needed to meet with engineering, and Mr. Yates and come up with a plan in the next few days followed with an email to Council. Mr. Garcia advised that he would do that.

F. Engineer's Report

Glynn Fleming, Associate Engineer, presented the report to Council. Ed Shackelford, City Engineer, advised that they are asking for variances to be documented on plats so that they will know that the Planning and Zoning Commission authorized them.

G. Financial Report

Cathy Branco, presented the report to Council.

After discussion, John Champagne asked that the pages to the reports be numbered, and a synopsis of the reports be provided to Council. Mrs. Branco advised that public works and the police department need to review the budget item for uniforms in the future. John Champagne asked about the audit fees. Mrs. Branco stated that the audit fees are not complete, because they had just started the audit. Mayor Pro Tem Jones advised that this month's sales tax figure seems too good to be true and then we end up paying it back. Rebecca Huss advised that this might be due to quarterly filers. Rebecca Huss questioned the line item for utilities for the water plant, stating that the electricity had doubled, and asked if that was typical and whether the budget needed to be changed. Mr. Shackelford advised that the budget would need to be adjusted because the City had added two major electrical items. John Champagne requested that while most of the reports have numbered pages, he would request that all the pages be numbered in the future. Additionally, he requested that he would like a synopsis put into a Power Point presentation for the reports so the public could be able to see what is going on. John Champagne said he did not want the whole report, but they could include graphs and a synopsis of everyone's reports. Rebecca Huss stated that if each person provided a synopsis to the City Secretary it could be scanned in for a presentation.

All reports were given and Jon Bickford made the motion to accept the monthly reports as written. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

3. Consideration and possible action on a Resolution regarding a proposed state law regarding a reduction in the revenue increase cap from 8% to 4%, as follows:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, IN OPPOSITION TO A REVENUE CAP AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES.

After presentation by the City Attorney, John Champagne made the motion to adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, IN OPPOSITION TO A REVENUE CAP AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES. Dave McCorquodale seconded the motion, the motion carried unanimously. (5-0)

4. Consideration and possible action on permission to close the following streets to through traffic for Antiques Festival Friday, May 1 through Sunday, May 3; College, McCown, Caroline, John A. Butler-- Montgomery Area Chamber of Commerce.

Jon Bickford made the motion to approve closing the following streets to through traffic for the Antiques Festival Friday, May 1 through Sunday, May 3, 2015; College, McCown, Caroline, and John A. Butler. John Champagne seconded the motion, the motion carried unanimously. (5-0)

5. Consideration and possible action regarding demolition of a structure at 411 Pond Street.

Mr. Yates advised Council the Planning and Zoning Commission had voted to give 30-days to the property owner to request demolition of the property, and if the owner does not make the request for demolition, then the MEDC has voted that they would pay for the demolition. The City Attorney advised that he felt it would be fine for City Council to vote to approve taking action. If the City does not receive permission from the property owner, under Chapter 54 of the

Government Code, there is a process, where the City would have to give the owner notice. They have an opportunity for a hearing, and steps that the City would have to take before the City could demolish the building, absent the approval of the property owner.

After discussion, Dave McCorquodale made the motion to approve the demolition of the house at 411 Pond Street in accordance with the Historic District requirements. Rebecca Huss seconded the motion.

Discussion: John Champagne asked for clarification that Council was just saying that they were not suggesting that they demolish the house, but if they chose to, then it is okay with Council. Council concurred that was correct.

The motion carried unanimously. (5-0)

6. Discussion and possible action regarding Solid Waste Contract.

Mr. Jack Yates, City Administrator, reviewed the two bids received and advised that the cost with Waste Management, who was the low bid, and it would be the same as the last contract.

Jon Bickford made the motion to approve the bid received from Waste Management and move forward with the 3-year Solid Waste Contract, including the alternate bid for recycling at the rate proposed: \$13.56 for 1 time a week collection; \$3.20 for recycling collection; and \$1.35 for hazardous waste collection, and approval of the 3-year contract, with one extension if agreeable by both parties. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

7. Conduct Public Hearing on Service and Assessment Plan for City of Montgomery Public Improvement District No. 1.

Mayor Pro Tem Jones convened the Public Hearing at 7:50 p.m.

Mr. Green advised that as a little background regarding the PID No. 1, he was hired by the City of Montgomery in 2014 to assist Mr. Fowler in their consideration of creation of this Montgomery PID No. 1, which they did in September. After the PID was created, he met with Mr. Fowler and they negotiated a tentative deal, which provided that Mr. Ogorchock would put public water/sewer, drainage and roads, which was budgeted at \$5 million dollars, and the City would allow him to get reimbursed by assessing himself, in an amount up to \$3 million dollars. Mr. Green advised that they put together a draft Service and Assessment Plan and Reimbursement Agreement. Mr. Green stated that the Assessment Plan would have a trigger date, which would be when the property was developed, platted, the building was built, and certificate of occupancy has been issued. Mr. Green advised that the assessment would be amortized and paid off in full in fifteen years, the City would also charge \$50 per parcel to help defer the collection cost. Mr. Green advised that there would also be a Reimbursement Agreement with Mr. Ogorchock, which states that Mr. Ogorchock will build these authorized improvements in phases and in accordance with all the requirements of the City. Upon completion of each phase, Mr. Ogorchock will bring in invoices to the City Administrator, and after review and approval, Mr. Ogorchock will be reimbursed, solely from the assessments that the City collects, minus the cost the City incurs during collection.

Jon Bickford asked if the last building did not get built for thirty years whether it would cost the City a lot more for collection. Mr. Green advised that there is a flexibility in the plan to come in during the life of it and increase those costs. Mr. Green stated that someone will have to come in each year to update the plan, and when they build more infrastructure they will need to update the information. Jon Bickford stated that each time the City engages Mr. Green, they want to be able to pass on the expenses to Mr. Ogorchock. Mr. Green advised that was correct, whatever the City is paying Montgomery County for collection, plus administrative fees, then those would be passed on. Mr. Green advised that the updated Service and Assessment Plan would be sent to the County, and they would update their assessment roll, which will be sent out to the property owners. Rebecca Huss asked if there was any substantial difference in the plan versus other plans that other experts have done in the state. Mr. Green advised that there was no difference in the payment back in a cash flow. The only other difference would be if they were selling bonds, which was something that the City did not want to do, so it was strictly a cash flow. Mayor Pro Tem Jones stated that if Mr. Ogorchock continues to own the property, then he will assess himself. Mr. Green advised that Mr. Ogorchock will sell some of the property and rent some of the property, where the tenants will pay his pro rata share.

Mr. Ogorchock stated that he supported the project. Mr. Ogorchock said that despite the weather they were moving forward. Rebecca Huss said that one of the big objections was that it could be a tyranny of a small majority, but since Mr. Ogorchock owns 100 percent of the property, the people that he sells or leases to will know about the Agreement.

Rebecca Huss questioned reduction of assessments. Mr. Green advised that the way the Agreement is set up, the City will reimburse \$3 million as long as Mr. Ogorchock spends more than \$3 million.

The City Attorney noted so that the public would be clear that the City has no obligation under these Agreements to pay anything other than what is collected as assessments of the City. Mayor Pro Tem Jones advised that there would be no out of pocket cost for the City.

Mayor Pro Tem Jones adjourned the Public Hearing at 8:03 p.m.

8. Consider adopting an Ordinance of the City Council of the City of Montgomery, Texas Approving a Service and Assessment Plan and an Assessment Roll for City of Montgomery Public Improvement District No. 1 ("P.I.D. No. 1"); Levying Special Assessments against Property within P.I.D. No. 1; Providing For Assessments To Be Paid Over A Period Of Time In Accordance With The Public Improvement District Assessment Act; Specifying The Method And The Amount Of Payment; Providing Penalties And Interest On Delinquent Assessments; Providing For Severability; And Providing An Effective Date.

Jon Bickford made the motion to adopt the Ordinance as read into the record by Mayor Pro Tem Jones. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

9. Consider entering into a Facilities and Creation Costs Reimbursement Agreement with Ogorchock Ath. LLC and Ogorchock Investments, LP providing for the reimbursement of such companies for Authorized Capitalized Improvements to be funded by special assessments levied by P.I.D. No. 1.

Rebecca Huss made the motion to approve the presented Facilities and Creation Costs Reimbursement Agreement with Ogorchock Ath. LLC and Ogorchock Investments, LP providing for the reimbursement of such companies for Authorized Capitalized Improvements to be funded by special assessments levied by P.I.D. No. I. John Champagne seconded the motion, the motion carried unanimously. (5-0)

10. Consider and possible action regarding receiving the Certification of Unopposed Candidates for the May 9, 2015 City of Montgomery General Election and Special Election, as filed by the City Secretary.

Jon Bickford made the motion to receive the Certification of Unopposed Candidates for the May 9, 2015 City of Montgomery General Election and Special Election, as filed by the City Secretary. John Champagne seconded the motion, the motion carried unanimously. (5-0)

11. Consider and possible action regarding the Order of Cancellation of the May 9, 2015 City of Montgomery General Election and Special Election.

Jon Bickford made the motion to adopt an Order of Cancellation of the May 9, 2015 City of Montgomery General Election and Special Election. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

12. Consideration and possible action on accepting resignation of MEDC board member.

Mayor Pro Tem Jones advised that Dave McCorquodale would be greatly missed on the MEDC Board.

Jon Bickford made the motion to accept the resignation of Dave McCorquodale as a member of the MEDC Board. John Champagne seconded the motion, the motion carried unanimously. (5-0)

13. Consideration and possible action on 2015 Consumer Price Index (CPI) Adjustment to Municipal Telecommunications Right-of-Way Access Line Rates.

After discussion, John Champagne made motion to reject the adjustment levy as if the consumer does not keep the funds. Jon Bickford seconded the motion, the motion carried with 4-Ayes and 1-Nay by Mayor Pro Tem Jones.

EXECUTIVE SESSION:

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas. (No current items at this time.)

COUNCIL INQUIRY:

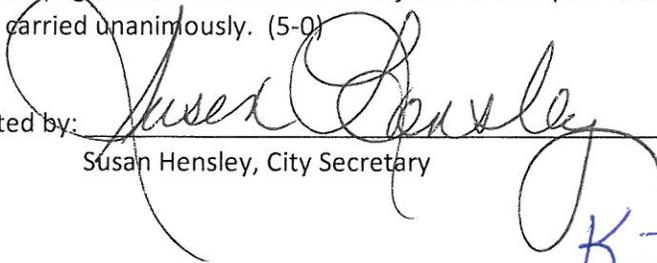
Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

There were no Council inquiries.

ADJOURNMENT

John Champagne made the motion to adjourn at 8:40 p.m. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

Submitted by:


Susan Hensley, City Secretary

Date Approved:

04/14/2015



Mayor Pro Tem Kirk Jones

