MINUTES OF REGULAR MEETING

October13, 2015

MONTGOMERY CITY COUNCIL

CALL TO ORDER

Mayor Kirk Jones declared a quorum was present, and called the meeting to order at 6:00 p.m.

Present:	Kirk Jones	Mayor
	John Champagne	Position # 2
	T.J. Wilkerson	Position # 3
	Rebecca Huss	Position # 4
	Dave McCorquodale	Position # 5
Absent:	Jon Bickford	Position # 1
Also Present:	Jack Yates	City Administrator
	Larry Foerster	City Attorney

INVOCATION

John Champagne gave the invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item, but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

No comments were made.

John Bickford arrived at 6:04 p.m.

CONSENT AGENDA:

1. Matters related to the approval of minutes for the Public Hearing and Regular Meeting held on September 22, 2015.

   Dave McCorquodale moved to approve the minutes as amended. John Champagne seconded the motion, the motion carried unanimously. (5-0)

CONSIDERATION AND POSSIBLE ACTION:

2. Consideration and possible action on regarding granting of Historic Home Property Tax Exemption—Tommy Hauser.

Mr. Yates advised that Mr. Hauser had requested an exemption for his home located at 709 College Street.

Mr. Hauser thanked the City for giving him the opportunity to address City Council. Mr. Hauser said that they love the area and the City. Mr. Hauser said that he was not looking at having a full tax exemption, but looking for a partnership or partial exemption. Mr. Hauser said that there were only a couple of homes with Historical Seals in the neighborhood, and his is one of those homes. Mr. Hauser said that they want to give back to the community. They open their home for Christmas and the 7th graders, along with his wife working with the High School History teachers being plugged into the house.

Mayor Jones said if the City were to grant a full exemption, how much would it be? Mr. Hauser said it would be approximately $500 per year. Mr. Hauser said that they were just asking for a percentage of an exemption.

Mayor Jones said that a similar request was brought before City Council a couple months ago, and it was tabled. Mr. Hauser said that they did not know that he had been on the agenda until he received the denial letter from the tax office. Mr. Hauser said that he is going back to all the entities to appeal their decision.

Mr. Yates said that at the meeting where this was previously discussed, Mr. Hauser was not present. They discussed that whether they were going to consider exemptions and they wanted to consider some type of policy or standard.

Jon Bickford said that the City has established a Historic District with historic homes, and they have not established any standards on how they expect those homes to look. Jon Bickford said his challenge is if they do something like this, they have to do something to

say there are certain expectations, which he felt would end up costing Mr. Hauser a lot more than what he would save in taxes.

Mayor Jones said that in the City we value our history and they regard a lot of those homes and buildings as treasures of the community, and it takes a lot to maintain them. Mayor Jones said that they have actually destroyed a couple of historic buildings because of the lack of maintenance over the years. Rebecca Huss said that less than a year ago, we allowed a building to be taken out of town.

Rebecca Huss said that she did not feel comfortable going after this on an ad hoc basis because it gets down to the eloquence of the presenter and the state of the home versus standards that people would need to meet and maintain.

Dave McCorquodale said that the Historic Ordinance gives him enough comfort regarding what things can look like, along with the research that staff has done on the issue highlights what can be done.
Dave McCorquodale said that he did not think that he could favor 100% percent exemption. Dave McCorquodale said that he did not want the type of situation that they had in Austin, where they raised everyone else's taxes to offset the exemption. Dave McCorquodale said that he was not opposed to the exemption, but without a policy it was hard for him to get his head around it.

Jon Bickford said that an alternative might be a proposal to the Montgomery Economic Development Corporation (MEDC). Rather than setting a policy that opens the door for anybody that says they have a historic home, there might be an option to say here is my proposal to do the following work, and ask the MEDC to sponsor them.

John Champagne said that the homes that participate in the Christmas Tour, the MEDC might want to give them a stipend of $250. Mayor Jones said that was a good thought. It was the consensus of the Council that they liked the idea of the information going to the MEDC. Mr. Hauser said that he also liked that idea.

Mayor Jones said that he would make sure that the information gets on the MEDC Agenda next Monday to discuss the concept and see whether the Board would like to participate. Mayor Jones said that they were not going to associate with taxes, but would take proposals.

After discussion, Jon Bickford moved to not grant the Historic Home Property Tax Exemption to Tommy Hauser. John Champagne seconded the motion, the motion carried unanimously. (5-0)

3. Presentation regarding CenterPoint Entergy Resources Corporation to include additional and future areas within the City.

Mr. Yates introduced Mr. Michael Joseph, Area Manager for CenterPoint, who was present for the presentation. Mr. Yates said that CenterPoint presented information to City Council last November and they are now asking for an area west of Summit Business Park.

Mr. Joseph advised that he was handed off the information from the previous director. Mr. Joseph said that back in November, the green area was considered and now they are trying to also get the adjacent 78 acres.

Mr. Yates said that he has an email from LDC saying that they have no objections to the specific area that CenterPoint is wanting, but they do object to CenterPoint expanding into any other area in the City that LDC is servicing or contractually obligated to LDC. Mr. Yates said that LDC was considerably south of the location.

Mr. Foerster said that from discussions with Mr. Corley, he entered into an agreement with Mr. LeFevre on the Buffalo Springs development. LDC was going to provide at their expense services to that area. Mr. Foerster said that the City has no contractual obligations to LDC, but Mr. Corley said he feels that he has an obligation with Mr. LeFevre's company that he is serving in the Buffalo Springs area.

Rebecca Huss said that their concern last year regarding this issue was that certain parts of the City would be more attractive to CenterPoint and they would roll out infrastructure to places like Summit Business Park, and then leave pockets or holes of less attractive customers. Rebecca Huss said that her concern was that when CenterPoint is adding on, they are committed to serving all customers.

Rebecca Huss asked if there was a small homeowner in the area that they are servicing, and they request to have natural gas, would CenterPoint be obligated to serve them. Mr. Joseph said that when they have their lines in, they offer every customer 100 yards of line from the main line for free, if it exceeds 100 yards, there is a charge associated with that installation. Mr. Joseph said that in the 78 acres it would probably be from the 100 yards from the service line, because the main line runs down FM 1097.

Jon Bickford asked whether it would be a non-exclusive franchise. Mr. Yates said that was correct.

City Council concurred that the green, blue and pink areas on the presentation materials can be included in the area to be serviced non-exclusively by CenterPoint. Mr. Yates said that he would work with the City Attorney and bring back the ordinance to City Council for adoption.

4. Consideration and possible action regarding Apache Machine Shop Request for additional funding on Water and Sewer line placement.

Mr. Yates advised that Mr. Huffaker, with Apache Machine Shop, is requesting $19,441.48 in additional funds, which he states was necessary to complete the extension of water and sewer lines. Mr. Yates stated that the Montgomery Economic Development Corporation ("MEDC") has considered and is recommending that the MEDC pay Apache Machine Shop the $19,441.48 for the additional cost. Mr. Yates stated that Mr. Muckleroy confirmed the expenditures.

Mayor Jones, who also serves as the President of the MEDC Board, stated that the MEDC had recommended that the City be responsible for the collapsed sewer line. Mr. Yates advised that $2,400 would come out of the Water and Sewer Utility Fund.

After discussion, John Champagne moved to approve additional funding regarding the Apache Machine Shop water and sewer line placement as presented. Rebecca Huss seconded the motion.

Discussion: Jon Bickford stated that $2,400 of the $19,441.48 would be paid out of the City Water and Sewer Fund. Mayor Jones said that the overall cost being approved was $19,441.48 for overages on the Apache Machine Shop Water and Sewer Line Project.

The motion carried unanimously. (5-0)

5. Consideration and possible action regarding printer and copier bid as submitted by Documation, and authorize the City Administrator to execute.

Mr. Yates stated that the City is now paying a monthly expense of $1,168.50 per month for three large copiers and four printers, not including Lt. Belmares, who uses his personal printer in the Police Department.

Mr. Yates said that the proposal is for six printers, and two fast scanners for the City Secretary and Court so they can take advantage of the Laserfiche file system for $1,245 per month. This price includes 10,000 black and white copies per month, and 2,400 color copies per month, and includes all toner and maintenance for the machines. Mr. Yates noted that the agreement was for 63 months and includes replacement of all equipment somewhere between 36 and 42 months.

John Champagne asked what the differential was between the old and new cost. Jon Bickford stated that it would be $135 per month. Mr. Yates advised that would be for two more printers and the two new scanners.

After discussion, John Champagne moved to approve the bid, for printers and scanners, as submitted by Documation, for the amount of $1,245, per month. Dave McCorquodale seconded the motion.

Discussion: Jon Bickford stated so everyone would know that when the lease runs out they will have to replace the equipment. Rebecca Huss said that would be three years from now. Jack Yates advised that three years from now the City would get all new printers, copiers and scanners. Jon Bickford said this would cover everything, ink cartridges and maintenance. Mayor Jones asked whether the City would start with new equipment. Mr. Yates advised that they would get all new equipment with the new lease, which should occur within 60 days. Mayor Jones stated the equipment would be refreshed in 42 months. John Champagne said the additional cost will be a mere pittance with the increased production in the office, so it is a non-issue.

The motion carried unanimously. (5-0)

6. Consideration and possible action regarding (3) positions on the Planning and Zoning Commission up for appointment in October 2015, currently held by Harriette Cummings, Carol Langley and Jeffrey W. Waddell.

Mayor Jones advised that there are currently three positions available on the Planning and Zoning Commission, currently occupied by Harriette Cummings, Carol Langley and Jeff Waddell. Mayor Jones said that Carol Langley and Jeff Waddell were recently appointed to fill some vacancies, and Harriette Cummings is a long time member.

Rebecca Huss stated that she would like to post the positions every time there is a vacancy. Mr. Yates advised that he would prepare a notice of what the job includes to be posted on the Web Site, Bulletin Board and send a press release to the Conroe Courier.

Mr. Yates said that he was asking Council for future direction regarding vacancies or appointments. Jon Bickford said that he felt anytime there is an open position, it should be open to any citizen and should be posted at all times.

After discussion, City Council concurred that the City Administrator will post notices as described for all future openings that occur on Boards and Commissions.

7. Consideration and possible action regarding City Council Meeting schedule for November and December 2015.

After discussion, Jon Bickford moved to schedule one Council Meeting in November and one Council Meeting in December, with the meetings to be held on the second Tuesday of the month at 6 p.m. John Champagne seconded the motion.

Discussion: Mayor Jones noted that if something came up and there was a need to have another meeting, a Special Meeting could be called.

The motion carried unanimously. (5-0)

8. Consideration and possible action regarding adoption of the following Ordinance:
AN ORDINANCE BY THE CITY OF MONTGOMERY, TEXAS ("CITY") DENYING THE DISTRIBUTION COST RECOVERY FACTOR RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON SEPTEMBER 4, 2015; SETTING JUST AND REASONABLE RATES FOR ENTERGY TEXAS, INC. FOR SERVICE WITHIN THE MUNICIPAL LIMITS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS.

Mr. Foerster advised that periodically Entergy asks for various rates, but this is a little bit different, this is a distribution cost recovery factor. Mr. Foerster said that it has something to do with fuel costs that they are asking to recover. Mr. Foerster said that his recommendation is to vote to approve this ordinance to reject that request, which will then go to Austin to the PUC.

After discussion, John Champagne moved to adopt the Ordinance to reject the request. Dave McCorquodale seconded the motion, the motion carried unanimously. (5-0)

9. Consideration and possible action on upsizing proposed eight-inch (8") waterline to serve Terra Vista development and future development in the northeast quadrant.

Mr. Glynn Fleming, Associate Engineer, made the presentation to City Council, recommending that the line be upsized. Mr. Fleming stated that the developer has submitted a bid indicating the true cost to be $19.00 per linear foot versus the cost approved by Council not to exceed $17.50. The developer has submitted the total cost to the City of approximately $24,054. Mr. Fleming advised they have reviewed the estimate and find it to be in keeping with the current materials costs across the Houston metro area.

Mr. Fleming said that their recommendation remains, that from a future planning standpoint it is in the City's best interest to extend the 12" line to serve future development in the northeast quadrant.

After discussion, Rebecca Huss moved to proceed with the increased estimate upsizing the waterline to serve Terra Vista Development and future development in the northeast quadrant. John Champagne seconded the motion.

Discussion: Dave McCorquodale asked if this would keep in line with what would take place and be a logical part of the City's Master Plan. Mr. Fleming said that it most definitely would keep in line with the Master Plan.

Mayor Jones asked if the line would dead end at the City limits. Mr. Fleming said that was correct. Dave McCorquodale asked if Conroe's ETJ was right out there. Mr. Fleming said that the City has an additional ½ mile in their ETJ beyond the current City limit, before you get to Conroe's City limit. Mr. Fleming stated they already know there are plans for future residential development on the south side of FM1097, and they would expect additional residential or commercial development on the north side. Mr. Fleming said that it would make sense to go ahead and run the lines now and it will facilitate a looped system in the future.

The motion carried unanimously. (5-0)

10. Consideration and possible action regarding adoption of the following Resolution:
A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL DOCUMENTS AND DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG) - TCF CONTRACT NUMBERS 7215102 and 7215112.

Mr. Yates noted that this Resolution would authorize the Mayor and City Administrator to execute contractual documents, and authorizes the Mayor, City Administrator, City Secretary and City Financial Consultant to sign purchase vouchers and request for payment form documents. Mr. Yates stated that either the Mayor or City Administrator would be required to sign every request that would be co-signed by the City Secretary or City Financial Consultant.

Rebecca Huss moved to adopt the following Resolution: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL DOCUMENTS AND DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG) - TCF CONTRACT NUMBERS 7215102 and 7215112. Jon Bickford seconded the motion, the motion carried unanimously. (5-0)

11. Consideration and possible action regarding awarding the bid and contract for the Montgomery Water and Sewer Contract Service 2015, and authorize the City Administrator to execute.

Mr. Yates advised that Gulf Utility was by far the low bidder. Mr. Yates stated that the basic operations for Gulf Utility was $3,200 per month, and TOPS was $10,200 per month. Mr. Yates that he had Mr. Muckleroy speak to Gulf Utility and TOPS, who was the second lowest bidder for basic operations, to confirm that they were comfortable with what they were providing.

Mr. Yates said that he, Mr. Muckleroy and the City Engineer all are recommending the selection of Gulf Utilities, due to the recent improvement in services and essential services compared to the other bidders. Mr. Yates advised that after the basic operations bid, the other figures in the bids are very comparable and have little difference between Gulf Utilities and TOPS.

Rebecca Huss said that apparently the big improvement with Gulf Utility is a personnel related issue, and asked if they had any kind of assurances that would continue. Mr. Mike Williams advised that he would remain.

John Champagne said that since the quotes were not even close, it raised all kinds of flags for him, and he wanted to know what his total cost for employing a company that is 70% percent below his nearest competitor. John Champagne asked what has been the cost for utilizing Gulf Utility over the past year that has not been accounted for in these bids. Mr. Yates stated that it was probably the tap fees. Rebecca Huss said that it could also be the $800 per week for deragging, instead of getting the information that they needed to buy a new motor. John Champagne said that this cost tells him that either those guys are over charging to the max, or Gulf Utilities have no idea what it takes to run a business and make a profit, something is not right. Mr. Yates said that was the reason that he had Mr. Muckleroy speak to the both of them independently to ask them what they are going to be doing for the City.

Jon Bickford asked whether the City obtained any description of services with the bids. Mr. Yates advised that the specifications had a general description of services. Mr. Shackleford said that they had assisted Mr. Yates with defining the scope of services so that everyone would be bidding the same service. Jon Bickford asked how there could be such a disparity in the bids.

Dave McCorquodale said that the question that is being asked is the total cost of service, and asked if there are other line item fees that somehow just are not being accounted for, because there is such a big difference.

Jon Bickford asked how much they had spent with Gulf Utilities over the last year. Mr. Yates said that it was approximately $112,000. John Champagne said that figure would bring them back to the number that Gulf Utilities competitor submitted. Mayor Jones said that figure also includes emergency calls and water main breaks. Mr. Yates said that the other charges have been primarily tap fees, deragging, water main breaks and stoppages.

John Champagne said that the bid does not impress him, but it gives him pause. Rebecca Huss said to be fair, Mr. Muckleroy and Jones and Carter have been working really hard and they have been seeing improvements over the last few months. Mayor Jones said that they had a large amount of tap fees this year, which is a pass through fee that shows up as a cost. John Champagne asked what percentage of the $112,000 was tap fees. Mr. Yates said that it would easily be $50,000-$60,000.

Dave McCorquodale asked if it would be appropriate to talk to the other bidder that is present at the meeting regarding his monthly service fee of $10,000 and what it would cover. Mr. Foerster said that they could always inquire as to the scope of service for the bid being offered, so he did not see any problem with doing that. Dave McCorquodale said it would give him an opportunity to introduce himself and give him the courtesy to say hello.

Mr. Bradley Jenkins, President of TOPS, was present and said that he could answer any questions that City Council might have.

Jon Bickford asked about Mr. Jenkins submission regarding Inspection of Wastewater Treatment Plant No. 2, Town Creek, and what that scope of services would be. Mr. Fleming advised that there might be a slight error on the bid tab, and he thought that the municipal operations number might have been transposed, because Stewart Creek is an operational plant and Town Creek is inoperable.

Mr. Jenkins advised that Mr. Muckleroy did call him and ask for specifics of how they operate wastewater treatment plants, water plants and lift stations, and what specifically they do. Mr. Jenkins stated that they had provided a detailed list to Mr. Yates for each one of those facilities.

Mr. Jenkins said that their bid is based on what they think the actual time is to do a good job operating the City's facilities. Mr. Jenkins advised that in the proposal it had doing each one of the wastewater treatment plants, seven days a week, and the lift stations three days per week. Mr. Jenkins said they put in the time frame that they felt comfortable with and then using their hourly rates was how they came up with their figure.

Mr. Jenkins said they used the hours that they think it takes to actually operate the City's facilities and the same hourly rates that are included in their proposal, and he could not get to any number lower that what he submitted in his bid.

Jon Bickford asked if the spreadsheet was the same as what was given to the bidders, with a place for them to fill in a number. Mr. Yates advised that was correct. Mr. Jenkins said that he went through each one of the City's facilities, and for the following facilities they assumed the following:

- water plant facilities they assumed they were going to spend one hour per day at each one of those facilities, seven days a week;
- wastewater treatment plant they would spend an hour and a half per day, with the exception of Saturday and Sunday, when they would spend an hour per day; and
- lift stations they would assume about fifteen minutes per day.

Mr. Jenkins said that there were some other things that were asked to be included in the facilities charge, but most of those were minor amounts.

Jon Bickford asked how the task of Wastewater Treatment Plant inspection was described in the specifications, and whether it stated how they would calculate the cost and how many times they would need to stop by. Mr. Yates said that they stipulated the number of times that they were required to check according to TCEQ.

Jon Bickford asked Mr. Yates whether he did an approximation on how many times they would need an air compressor and/or jack when he summed up the annual expense. Jon Bickford also asked if Mr. Yates had done a summary of total costs. Mr. Shackleford said that on those items they know that on any given day the operator might have to break out

a sidewalk to repair a waterline, and the items listed are common to those repairs. Jon Bickford said that there was a big disparity under tools and equipment.

Rebecca Huss asked Mr. Williams if Gulf Utility was spending less time at each facility than TOPS. Mr. Williams said that they allowed the same amount of time. Rebecca Huss said that they would only be making $12-$15 per hour. Rebecca Huss said one of two things has to be true about Gulf Utility, either they are not billing enough for their time, or the hourly billing is wrong or the actual time there is wrong. Mr. Williams said that they would be spending the same amount of time as the other, and this was a typical bid for that service. Mr. Yates said that what he assumed was the reason that Gulf Utility was so much lower, was because they have been doing it for so long that they actually knew the time that it took to do the inspections.

Jon Bickford asked if the engineers had observed a typical inspection while it was being done with the current utility operator. Mr. Fleming said that he had not. Mayor Jones said that he suspected that Mr. Muckleroy has observed that procedure.

John Champagne said that he was not comfortable with the bid information and moved to tabled action on this item until the next meeting. Dave McCorquodale seconded the motion.

Discussion: Mayor Jones asked what type of instructions would Council like done for the next meeting to make them more comfortable. Jon Bickford said that he thought it would be worth getting a better assessment of where we spent the difference in $2,700 per month, which times twelve is $32,400, and $112,000 for last year. He would feel better knowing where that was spent.

Rebecca Huss said that Mike Muckleroy needs to be here to give feedback. Rebecca Huss said that overall the feedback that she has been getting is the performance improved during the last several months. Rebecca Huss said that the City is fortunate enough to have top notch Engineers and Public Works Directors, and if they are comfortable with the operator that they are recommending, it is just one year and can be termed with notice.

Dave McCorquodale said that the service had improved with the personnel change, which has not been free, because with the cost of engineering and doing the utility assessment Gulf Utilities either was not spending the time doing the checks or they were truthfully not spending the time they needed to do the checks.

John Champagne said that he would still request tabling to do an autopsy on the ancillary costs that were incurred over and above the monthly payment to Gulf Utility. John Champagne said that he had a tremendous respect for Mr. Muckleroy and Mr. Yates, and personally looked for them to give him indication and leadership on who they should pick. John Champagne said if after the next meeting they decide one way or the other, the result and the performance of those people that they choose, he will look to staff as being responsible for the success or the failure for the next year.

The motion carried unanimously. (5-0)

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.

12. Convene into Closed Executive Session pursuant to the Texas Open Meetings Act at Section 551.071 of the Texas Government Code to meet with the city attorney to receive legal advice about pending or contemplated litigation.

Mayor Jones moved to convene into Closed Executive Session at 7:24 p.m.

Reconvene into Open Session to act if necessary on matters discussed in Executive Session.

Mayor Jones reconvened the meeting at 7:46 p.m.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

13. Consideration and possible action resulting from the item(s) listed under Executive Session.

No action was taken on this item.

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.

ADJOURNMENT

Dave McCorquodale moved to adjourn the meeting at 7:52 p.m. Rebecca Huss seconded the motion, the motion carried unanimously. (5-0)

Submitted by: _____ Date Approved: 10/27/15
Susan Hensley, City Secretary

_____
Mayor Kirk Jones

CITY OF MONTGOMERY, TEXAS ★ FOUNDED 1837 ★