

MINUTES OF PUBLIC HEARING and REGULAR MEETING

December 12, 2017

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
 T.J. Wilkerson City Council Place # 3
 Rebecca Huss City Council Place # 4
 Dave McCorquodale City Council Place # 5

Absent: Jon Bickford City Council Place # 1
 John Champagne, Jr. City Council Place # 2

Also Present: Jack Yates City Administrator
 Larry Foerster City Attorney
 Susan Hensley City Secretary
 Chris Roznovsky City Engineer
 James Napolitano Chief of Police

INVOCATION

T.J. Wilkerson gave the invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

PUBLIC HEARINGS:

Convene into Public Hearings:

Mayor Jones convened the Public Hearing at 6:01 p.m.

1. **Regarding Annexation of a 3.22-acre tract of land** in the John Corner Survey, Abstract 8, Montgomery County, Texas, being out of a 5.71 acre tract as recorded under Clerk's File No.

2016-086083, also being out of a called 111.857 acre tract of land as recorded under Clerk's File No. 9512940 Deed Records Montgomery County, Texas. (*First of two Public Hearings*)

Mr. Yates presented an overview of the property being annexed, stating that the second public hearing would be held in January with the final action being taken on the February 13, 2018 Meeting. Mayor Jones said that the property was located on the east side of the City. Mr. Yates said that was correct, and said that it was adjacent to the KOA entrance driveway. Mr. Yates said that half of the property is located in the City's Extra Territorial Jurisdiction (ETJ) and the other portion is located in the City of Conroe ETJ.

Mayor Jones asked if anyone from the public would like to speak on this item.

Mr. Burleigh asked if there would be any problems down the road for the developer, with the property being split in half between the City of Conroe and City of Montgomery. Mr. Yates said that they are trying to set something up with the City of Conroe so that the City of Montgomery can serve the property, because there are two MUD's between the ETJ lines. Mr. Burleigh asked if there would be any burdens related to taxes for the future property owner. Mr. Yates said that would not be a problem. Rebecca Huss said that was assuming that they are interested at all in going through all this trouble to get \$7,000 per year in ad valorem taxes and no sales tax.

Rebecca Huss said that one of her concerns about having the public hearing was that they would not have any information to talk about because they did not know anything, and here they are having a public hearing with nothing to say, because we don't know anything. Rebecca Huss said that she did not know how they could make any decisions about whether this is good or bad for the City without any information about the costs, benefits, what taxation the City would get other than ad valorem, which is hardly enough to get a police vehicle out. Mayor Jones said that they could save that discussion for later between Council members, and right now he was asking for comments from the public. Rebecca Huss said that fortunately she was part of the public, so she had a right to talk during this session. Mayor Jones asked if Rebecca Huss had any other comments, and she did not.

Adjourn Public Hearing(s)

Mayor Jones adjourned the public hearing at 6:05 p.m.

Convene into Regular Meeting

Mayor Jones then convened the regular session at 6:05 p.m.

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.

Mr. Burleigh stated that he would like to wait to speak during the Utility Report item.

CONSENT AGENDA:

2. Matters related to the approval of minutes for the Public Hearing and Regular Meeting held on November 14, 2017.
3. Consider adoption of the Citizen Participation Plan for the Texas General Land Office (GLO) Community Development Block Grant Disaster Recovery (CDBG-DR) Program.
4. Consideration and possible action regarding adoption of the following Ordinance:
A ORDINANCE OF THE CITY COUNCIL OF MONTGOMERY TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENTERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENTERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2018; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AND AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS
5. Consideration and possible action regarding adoption of the following Resolution:
AN AMENDMENT TO RESOLUTION NO. 2017-25, DATED NOVEMBER 14, 2017, CHANGING THE DATE OF A PUBLIC HEARING BEFORE THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS TO JANUARY 9, 2018, AT CITY HALL, 101 OLD PLANTERSVILLE ROAD, MONTGOMERY, TEXAS, TO HEAR ANY AND ALL PERSONS DESIRING TO BE HEARD ON OR IN CONNECTION WITH ANY MATTER OR QUESTION INVOLVING THE UPDATING OF IMPACT FEES FOR WATER AND WASTEWATER, AND RATIFYING NOTICE AS PUBLISHED IN THE OFFICIAL NEWSPAPER OF THE CITY OF MONTGOMERY, TEXAS AND POSTING ON THE CITY'S WEBSITE.

Rebecca Huss moved to approve the Consent Agenda as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

CONSIDERATION AND POSSIBLE ACTION:

6. Consideration and possible action on Department Reports.

A. Administrator's Report - Mr. Yates presented his report to City Council. Mr. Yates said that he had also provided the City Council with a City Administrator Goals and Objectives, which is a general description of his duties. Mr. Yates said that he thought that almost everything that he does is encapsulated in one of the notations in the list.

Mr. Yates said that he also attached a Development Review Process that was a result of meeting with several developers in November. Mr. Yates said the end result was that they are going to work on a Development Packet that will have a checklist for every developer. Mr. Yates said that they will also try to have a meeting with the developer prior to the development getting started so they can go over the checklist. Mr. Yates said that they also discussed the timeliness and thoroughness of the Engineer's reviews. Mr. Yates said that they are trying to determine how to have the information online so that anyone can see where the development stands in the process. Mr. Yates said that all these items will be happening in the next 30-45 days.

Rebecca Huss asked Mr. Yates if he had any recent information about the Home Grant. Mr. Yates said that he did not have anything officially, but he has been told that the City is on line for getting the Grant, but the offers were not being sent out until the Home Grant Contract has been updated. Rebecca Huss asked if there was any estimated timeline for people to be able to apply. Mr. Yates said that at this point there is not an estimate, but said if he had to guess it would be next month.

Rebecca Huss asked about the LDC billing and what their response was to them saying that the City did not properly deny their rate increase or request for a rate to cover their risk taking that did not pan out. Mr. Yates said that he needed to speak to the Railroad Commission, but said that he had called them several times and every time he gets a recording, and he has left his number several times. Mr. Yates said that he might need to work with Representative Metcalf or Senator Nichols, but said that he did not have

the answer at this time. Rebecca Huss said that she did not think that it was unacceptable for the party who is requesting the rate increase to be the conveyor of information to the Railroad Commission that gets the increase that the City denied. Mayor Jones said that the rate increase has gone into effect. Mr. Yates said that was correct, the surcharge has gone into effect. Mayor Jones said that the surcharge was for the purpose of paying for the Bois D'Arc Bend Extension that had to be redone. Rebecca Huss said that the City denied the rate increase because they had done the road on a speculative basis to get the job done, and it was not the City's responsibility to cover them in case it did not pan out. Rebecca Huss said that the rate increase was specifically denied for that reason.

- B. Public Works Report – Mr. Mike Muckleroy, Director of Public Works, presented his report to City Council. Mr. Muckleroy advised that his report included the October Report, which was not given last month. Mr. Muckleroy advised that he had started on the Public Works side of the City web site, adding a Public Works page. Mr. Muckleroy advised that they had completed the remodeling of the kitchen at the Community Center.

Mr. Muckleroy reviewed highlights of his Annual Report, stating that the Flagship Blvd. repairs had been completed; added a Maintenance Technician position; one employee had attended an irrigation training course; they planted 11 new trees at Cedar Brake Park; they completed the street sign replacement program converting to the 9 inch blades on all City signs, except for the ones located in the Historic District that are on special brackets. Mr. Muckleroy said that the Historical Marker was set at the Nat Hart Davis Museum; they completed commercial property backflow preventer surveyor survey; painted the Simonton Building at Fernland Park, and they painted all the speed humps and stop bars in the City. Mr. Muckleroy said that one of his employees obtained their level one sewer license. Mr. Muckleroy stated that they had security cameras installed at Fernland, along with new rain gutters. Mr. Muckleroy said that they purchased a line stripping machine and completed several parking lot striping jobs. Mr. Muckleroy advised that they had rented a crack sealing machine for a week and completed several thousand feet of crack sealing. Mr. Muckleroy said that for the year they had 70 water taps and 42 sewer taps, 40 water leaks, 6 sewer stop ups,

and 15 sewer inspections. Mr. Muckleroy stated that they no longer do the sewer inspections; they have turned that over to Rick Hanna, Building Inspector, early in the year.

Mr. Muckleroy said that Fernland reported for the year that they had 8,754 visitors and they provided 529 tours.

Mayor Jones said that he knows they are busy because he sees them out there working all the time. Rebecca Huss said that she ran into Mr. Standifer doing part of the manhole survey as well, so with the striping and crack sealing, they are doing things that are saving the City money because they are not hiring a third party to perform those jobs, and she definitely appreciated Mr. Muckleroy leveraging the extra people to do things that the City needs to do.

- C. Police Department Report – Chief James Napolitano presented his October Report to City Council, and advised that he would submit the November and December Reports at next month's meeting.

Mayor Jones asked if the Chief could give an overview of how he thought the Christmas Parade went. Chief Napolitano said that he felt the parade went very well, until the very end where they all ended up in one intersection. Chief Napolitano said that the parade was so long that the people that they had been working at the end of the parade had to move the parade around a little bit before they could break off and go help at the intersection at CB Stewart and SH 105. Chief Napolitano said that once they got the traffic control moved, it allowed the people to finish the parade. Chief Napolitano said that they had never had this problem before because they never had a parade that large, with that many people attending the parade. Chief Napolitano said that no one got hurt during the parade and everyone had a good time, with the candy being delivered to the kids. Chief Napolitano said that he saw some things that they can do next year for both the 4th of July and Christmas Parades. Rebecca Huss said she thought it would be easier as Mr. LeFevre keeps developing and they get more roads, they might be able to swing the parade route through Buffalo Springs into Lake Creek

Village and out that way. Chief Napolitano said that this was the first time that they had those roads through.

- D. Court Department Report – Mr. Yates presented the October Court Report, and said that they had a change in Municipal Court Administrators. Mr. Yates said that the Warrant Officer is working out very well, and with only October they have \$10,381 in warrants for his first month. Mr. Yates said that collections are otherwise down because of the number of citations, but said that the figures were still appropriate enough for meeting the budget.

Mayor Jones said that they had a change in the personnel in the Court, and said that Ms. Kimberly Duckett, Interim Court Administrator was present.

- E. Utility/Development Report – Mr. Yates presented the report to City Council. Mr. Yates said that for the month of November they collected \$124,425 for utilities, which is up considerably from last year. Mr. Yates said that during November they collected \$14,345 in permits, and \$1,075 for rental of the Community Building. Mr. Yates said they had 620 active accounts.

Mr. Yates said that water consumption of City accounts continues to be low, except for Memory Park. Mr. Yates said that he understands the logic of the usage of Memory Park, and with the drainage partially coming in from Lake Creek Village, Section 2, to Memory Park. Rebecca Huss said that she thought there was a lock on filling the pond and the drainage from Lake Creek Village should not affect the irrigation; the irrigation goes directly to the plant. Mr. Yates said that it should not affect it, unless it is so far down that they have to put water in the pond to fill it. Rebecca Huss said that if they had to do that it would be a big deal, because Mr. Muckleroy would have to go over and unlock it. Mayor Jones said that he did not think that weather wise they have had that kind of drought. Rebecca Huss said that November was very dry. Mayor Jones said that he did not think it cause the pond to go down. Mr. Yates said that they used 116,000 gallons of water this past month. Rebecca Huss said that they have discussed this matter before, and said that every time City Council approves an additional amenity at Memory Park, it is a permanent increase in the water usage at the Park.

Rebecca Huss said that there is no way they are ever going to go back to 20,000-30,000 gallons, it just will not happen, because of decisions that City Council has made, which they have effectively accepted the high water usage there.

Dave McCorquodale asked about the firearm discharge permit. Mr. Yates said that was for the Texian Heritage Festival.

Mr. Burleigh stated that he really came to address a couple Council Members that are not here. Mr. Burleigh said that he would like to set the record straight; in October City Council complained about the water usage at Memory Park because he saw the minutes again. Mr. Burleigh said that if you look at the weather, after the hurricane, it has only rained twice in November and they could use some water. Mr. Burleigh said that if you look at the yearly average, every month it averages about 150,000 gallons, 1.6 million gallons per year. Mr. Burleigh said that last year they used 1.7 million gallons, and they have more projects that have been put out there that the City approved. Mr. Burleigh said that they needed to look at the whole picture. Mr. Burleigh said that when he took over four years ago it was 5 million gallons. Mr. Burleigh said that the City controlled it for a whole year and did nothing to it. Mr. Burleigh said that he learned about the system, optimized it and Mr. Champagne mentioned in the minutes that Mr. Burleigh was the only one that knows about the system, and Mr. Burleigh said that was probably so. Mr. Burleigh said that every contractor that was allowed to build Memory Park came in and messed with the system and messed it up. Mr. Burleigh said the County refused to pay the high water bill when they had it, and he did not blame them, so they gave it to the City and the City accepted Memory Park, as is. Mr. Burleigh said that Mr. Kotlan said, at that time, in one year he would have that water system straightened out. Mr. Burleigh said that as a citizen paying taxes and the water bill of this town, he watched the water run out of that Park for over a year and the City did nothing. Mr. Burleigh said that he volunteered, and learned everything that he could learn about the system, talked to people in California, upgraded the system, put flow meters on the system, did everything that he could do to it, found all the zones, because nobody knew about the system. Mr. Burleigh said that he documented everything about the system, which the City has because he gave it to the City and now it is their baby. Mr. Burleigh said that he gave Mr. Muckleroy a

checklist this afternoon of things to check and follow up on. Mr. Burleigh said that they are going to use water, 1.6 million every year, depending on the rainfall. Mr. Burleigh said the system has a sensitive control on it where it looks at the temperature, humidity and the sunlight. Mr. Burleigh said that they could go out there and turn the system off, but everything out there will die. Mr. Burleigh said that there are a few options that he would like to work with the City, as far as getting a water well in the pond and pull irrigation material out of the pond in a joint venture for the County Library and the City. Mr. Burleigh said that the City did not even account for that water at all until at least two years ago, and then they put a price tag on all the City water, and now it is sticking out in front of your face just like the water at the sewer plant. Mr. Burleigh said that you have to look at the different alternatives regarding the water. Mr. Burleigh said that if you cut off the water to Memory Park, the asset will die, but that is the City's choice. Mr. Burleigh said that he will be around to help Mr. Muckleroy in managing Memory Park, but the City needs to maintain the Park. Mr. Burleigh said that if the City is not going to maintain the Park, then when applications come in to make improvements, Council needs to reject them. Mr. Burleigh said that last year he did not know how many projects they put in the Park.

Mayor Jones said that Mr. Burleigh seemed to be expressing some frustration, but he wanted to say that the City appreciates all that Mr. Burleigh has done with the water system at Memory Park. Mr. Burleigh said that all he hears from City Council is negativity about the amount of water used at Memory Park, and he usually hears it third party, so somebody is saying some stuff, which he saw in the minutes. Mayor Jones said that he could not speak for folks that might not be present, but he thought in general everybody just wants to look at water usage in general and that Park sticks out. Mayor Jones said that they recognize that Park is an asset, and they recognize Mr. Burleigh's efforts in keeping it that way and getting the water usage to where it is today. Rebecca Huss said that she did not realize that the usage used to be 5 million gallons before she was on City Council.

Rebecca Huss said that it does not hurt until you are actually paying for the water, and before the City paid for it, it came out of the tax payers pockets because it was subsidized by users. Rebecca Huss said that Mr. Burleigh does a lot more with water

and sewer; he has helped the City a lot and said that she really appreciated all the work that he donates to the City and the time he puts into it. Mr. Burleigh said that the City needed to put the same emphasis on the entire water and sewer fund as they do on just the water usage of the parks. Mayor Jones said that, thanks to Mr. Burleigh, the City has started doing that.

- F. Water Report – Mr. Michael Williams with Gulf Utilities, presented his report to City Council. Rebecca Huss asked about the 1.2 million gallons of lost water. Mr. Williams said that he had two reports for City Council, October and November.

Mr. Williams said that during October they had a total flow of 5.2 million gallons and a daily peak flow of 269,000 gallons, and daily average flow of 173,000 gallons, in November they had a total flow of 5.47 million gallons and a daily peak flow of 401,000 gallons, and daily average flow of 182,000 gallons. Mr. Williams said that they had no excursions for October or November and all samples were within compliance. Mr. Williams said that during October for water accountability, they sourced 11.37 million gallons and sold 9.368 million gallons, with 89% accountability; in November they sourced 9.68 million gallons and sold 7.76 million gallons, with 83% accountability.

Rebecca Huss said that what they were talking about earlier, with the leak in the sewer system that would not be the accountability number that would be the return numbers, so the accountability is that they are losing water somewhere in the system. Rebecca Huss asked if Mr. Williams thought that somewhere the water was going directly from the water pipe to the sewer pipe. Mr. Williams said that the water sold vs water treated chart shows a history and all the way from March to July, right before the million gallon range, they had a bunch of rain infiltration. Mr. Williams said that he went back and looked at the Lift Station run times, and they did have elevated run times at Lift Stations 1, 2 and 3, for four hours per day, which signifies that they do have a leak that is making its way to the sanitary sewer system. Rebecca Huss said that it is going directly from clean water to sewer water. Mr. Williams said that the reason he thinks that is that Public Works and Gulf Utility have gone over the City multiple times, and there is no evidence of a leak; this leak is about 50 gallons per minute. Mr. Williams said that a leak that size would surface in no time at all and would be visible running in a ditch.

Mr. Williams said that they have not seen any leaks in the City of that magnitude. Mr. Williams said that the City has fixed a couple of small leaks, which were a couple of gallons per minute but nothing that large of a magnitude. Mr. Williams said that the City is looking at manholes trying to find where this leak is and they will continue efforts to locate the leak. Rebecca Huss asked if they could determine a leak, similar to a residential leak where they determine that there is too much water being used. Mr. Williams said that, generally, the lift stations serve an area, and if they have an elevated run time they will go to that area and look in the manholes and check the flow in the sewer system. Mr. Williams said that 50 gallons per minute will show a lot higher water level in the sewer pipe. Rebecca Huss said that if they are losing that much water per month plus treating, it is equivalent to approximately \$10,000 per month that they are losing. Mr. Williams said that they went though and verified the well meters when they started having accountability issues, and they are all in working order. Mr. Williams said that the water the City is sourcing is fine; the water they are selling and the water they are seeing at the sewer plant are off. Rebecca Huss asked if there was any chance that the meters were off, so they are not selling enough water. Mr. Williams said that would be too much, too quick to be a widespread problem across the City. Rebecca Huss said that she thought they could not have the water pipes so close to the sewer pipes. Mr. Williams said they are required to have a 9 foot separation. Rebecca Huss asked if someone that would have been drilling in July and shut down all the water in the City could have been related. Mr. Williams said that was a possibility. Rebecca Huss said that the answer might be who has been drilling in the City. Mayor Jones said that would be easy to study. Mr. Muckleroy said that line is dead now. Mr. Williams said that he based his facts on what he sees in front of him. Rebecca Huss said that they might look at the permits and what people have been doing. Mr. Williams said that a contractor hit a sewer line a couple of years back on SH 105. Mr. Yates said that they could sound out the system, because you can place a sensor on one hydrant and a sensor on another hydrant and you can spot a leak in between them. Rebecca Huss said that \$10,000 per month is cash, plus depreciation, plus maintenance, so that is \$120,000 per year and that is real money.

Mr. Williams said that they saw the accountability drop in August; they were at 89%, and then they jumped up to 98%, which he reported at Well 3 the meter had gone out,

so that was the reason for the high accountability numbers, but they were still searching for the leak. Mr. Williams said that they can look at the sounding option that Mr. Yates mentioned, to see if they can pinpoint the leak location. Rebecca Huss said that seemed to be more effective than trying to just wing it. Mr. Williams said that they will start working on that tomorrow and getting some contractors. Rebecca Huss asked if that was going to be expensive. Mr. Yates said that they were able to do about a third of a City that was larger than Montgomery for about \$4,000-\$5,000. Rebecca Huss said that was great. Mr. Yates said that it will spot every leak and tell you exactly where the leak is located.

Rebecca Huss congratulated Mr. Williams for keeping the well run times within the permitted levels. Mr. Williams said that as long as the electricity holds out for the year, they should be well within the permitted levels for the City. Mr. Williams said that during the last freeze they did not have any power issues at Water Plant #2, so they are going in the right direction. Mayor Jones said that was a short period of time, not a 4-5 day stretch. Mr. Williams said that if they get a cold snap, everyone turns their heaters on and when the well kicks on, if there is an issue it will trip the power. Mayor Jones asked if Mr. Williams thinks the power issue is fixed because the cold snap did not trigger the power. Mr. Williams said that was correct, and there is a display at the plant that shows they are within the range and the power is even now. Mr. Williams said that they will continue to monitor the power issue.

- G. Engineer's Report – Mr. Roznovsky presented his report to City Council. Mr. Roznovsky presented City Council with a final copy of the Mobility Study that will be discussed with the Planning and Zoning Commission in January and with City Council following that meeting. Mr. Roznovsky said that he will put together a quick summary of the changes to the Mobility Study and send it out to City Council. Mr. Roznovsky said that they have met with both Precincts, got their comments addressed, and the main thing that was done was they did an additional traffic count during the school rush hours at the main intersections, and turns out that those peaks were not any different than the peaks that they were seeing in the morning and at night. Mr. Roznovsky said that one thing that they note in the report was the time that Lone Star Parkway was closed.

Mr. Roznovsky said that regarding the Buffalo Springs Bridge, they did finally receive the signed Project Worksheet from FEMA, which was the final document that they were needing. Mr. Roznovsky spoke to the contractor this afternoon and all of their paperwork is done, and they will have them overnighted to the City, and then to the City Attorney for his review, and then signatures by the end of the week. Mr. Roznovsky said that they were still looking at a start date for the first of the year. Mr. Roznovsky said that they have a 10-day notice to proceed after they have a pre-construction meeting that is between Christmas and the New Year. Mr. Roznovsky said that based on his discussion with the contractor, he is ready to start at the beginning of the year.

Mr. Roznovsky said that, regarding the Houston Street rehab, they had a pre-construction meeting today with the contractor and he plans to be onsite on Monday to begin work. Mr. Roznovsky said that the project will be about three weeks long, so he should be done with his part after the first two weeks in January and then they will reach out with the County to come and do their part with the asphalt following the contractor's completion. Mayor Jones asked if they would have to wait on Precinct 1. Mr. Roznovsky said that as soon as they got the schedule this afternoon, they sent the County the preliminary finish date so they will be ready to move forward, and they will keep Precinct 1 updated on the progress after the holidays.

Mr. Roznovsky said that regarding the GLO projects, he has been working with the City's grant administrator to get the information submitted. Mr. Roznovsky said that the projects that are on the list are any remaining share of the Buffalo Springs Drive Bridge, water/sewer drainage and paving improvements on Martin Luther King and Baja, and improvements to a tributary at the Town Creek and Baja area, and an additional generator at Water Plant #3, and improvements to Lift Station #3. Mr. Roznovsky said that they will see where the money falls and what all they will get from the items on the list.

Mr. Roznovsky stated that Lone Star Bend is underway, and the connection between Bois D'Arc and Lone Star Parkway is finally underway.

Mr. Roznovsky said that they met with FEMA regarding the Terra Vista waterline and sewer line issue, and they are working on that issue to get it funded. Rebecca Huss asked about the missing 1.25 million gallons of water. Mr. Roznovsky said that was during Harvey when the 8-inch waterline was taken out and was wide open; it can be included on the list, but he did not know if FEMA would pay for that water loss.

H. Financial Report - Mr. Yates presented the report to City Council. Mr. Yates advised that summary report balances are as follows: General Fund - \$839,514, Construction Fund - \$2,675,132, which includes the Texas Water Development Board funds. Mr. Yates said that the City, overall, has total funds of \$4,762,658. Mr. Yates said that the only expenditures that they have had so far are the Public Works purchase of the Bob Cat for \$50,000, and the Police Vehicle, which has not been paid. Mr. Yates said that sales tax has been coming in very well and they are doing very well as far as the budget. Mr. Yates said that next month they would have a full financial report.

Rebecca Huss moved to approve the Departmental Reports as presented. T.J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

7. Consideration and possible action regarding a revolving Line of Credit Promissory Note for \$600,000.00, dated as of December 12, 2017, by and between City of Montgomery, Texas ("Maker") and First Financial Bank, N. A., a national banking institution ("Lender").

Mr. Yates advised that this action is to complete the process of the documents needed for an interim loan that was started at the September 12, 2017 Council Meeting. Mr. Yates stated that at that meeting, he was directed to go out for quotes on the interest rate and the terms of the borrowing. Mr. Yates stated that this funding would be used for interim financing of the Buffalo Springs Bridge. Mr. Yates said that the discussion at the time was that by borrowing funds the City could assure the contractor that he would get paid in 30 days. Mr. Yates said the basic intent was to borrow funds for 30-45 days while waiting for State funds. Mr. Yates stated that an RFP for rates were sent out following the September 12, 2017 City Council Meeting. Mr. Yates advised that the winning quote was submitted by Amegy Bank at a 3.0% interest rate, but later they pulled back their quote because their attorneys in Salt Lake City did not think the loan was proper. Mr. Yates said that he spoke with the City Attorney and he reviewed the information and felt that the loan was proper, so they went to the next best quote,

which was First Financial Bank at 3.26% percent per day, with \$6,000 in closing fees. Mr. Yates said that the City Attorney has reviewed the documents and the November dates shown on the documents will be changed to December.

Mr. Yates said that there was no way of asking the contractor how much less they bid with the interim funds, but said that they did get a very good bid, so perhaps part of it was due to the assurance of getting paid in 30 days of the invoice being submitted.

Rebecca Huss asked to confirm that they are going to have to pay \$2,000 in interest and \$6,000 in fees. Mr. Yates said that was correct. Mr. Foerster said that it would actually depend on how much they would have to draw on the line of credit. Mr. Foerster said that they would be paying origination fees, which is standard. Rebecca Huss said that she thought that they did not have to pay an origination fee on the first loan. Mr. Yates said that was correct on the Amegy quote.

Rebecca Huss said that the City of Montgomery has \$300,000 in operating funds, \$300,000 in the general fund investment, \$200,000 in TexPool, both of which are earning 1%, and the utility fund has \$400,000. Rebecca Huss said that if they are sure that they are going to get the money from the government and they are borrowing for 30-45 days, for \$6,000, and asked if this was something that would be impossible for the City to do themselves. Mr. Yates said no, he did think that it would be possible for the City do to it themselves, but said that they did not know what the draws were going to be, so if it is \$100,000 or \$200,000 they could easily do it from the utility fund. Mr. Yates said that City Council might direct him, if the amount is \$200,000 or less, state that he could use the utility or general fund. Rebecca Huss said that the City probably has \$600,000 without seriously getting nervous. Rebecca Huss said that it seemed crazy to her to spend that kind of money for 45 days. Rebecca Huss said that she did not mind spending the interest charges because they are borrowing the bank's money, but the origination charges being so high seems hard to swallow. Mayor Jones said that they are 1%, which is pretty standard origination fees. Mayor Jones asked if part of the rationale for the interim loan was that the City did not want to be too committed with the City's funds in case of an emergency. Mr. Yates said that was correct, but said that there really was not anything that our insurance would not cover. Rebecca Huss said that the question being, now that they are here, if they felt confident enough about the process and paperwork, Jones and Carter,

Grantworks and everyone's ability to manage things where they really are looking at a 30-45 day window between the payment to the contractor and receipt of funds from the government. Mr. Roznovsky said that, just based on the timing of the previous grants, he would say no, because they were 6-8 weeks for funding of smaller amounts, and this grant has FEMA having a share, TXCDBG has a share and the General Land Office has a share, and said that he would put a big question mark just because of the timing that they experienced with the other projects. Mr. Yates said that it could turn into 60-90 days for receipt of the funds. Mr. Roznovsky said that was correct and said the last draw for Kroger was submitted the beginning of October and the funds were just received last week for approximately \$30,000 not a \$200,000. Mr. Roznovsky said that if the City does not pay the contractor and they have to wait, they could see the contractor get upset because the wording in the contract says that he will get paid. Rebecca Huss said that really the \$600,000 is not to cover the actual cost of the draw, that is actually the cost of the \$1.8 million dollars of the whole bridge plus what the City has in their reserves, so what they have in reserves plus the \$600,000 equals the cost of the bridge. Mr. Yates said the cost of the bridge is \$1.1 million dollars. Mayor Jones asked if there was a chance that the City could get into two overlapping draws. Mr. Roznovsky said yes, that could happen. Mayor Jones said they told the contractor that they would pay within 30 days, but now they would have \$700,000 that they are waiting to get in from FEMA.

Mayor Jones asked Mr. Yates what he really felt the City should do. Mr. Yates said that nothing says that they have to close right now, they could approve the action, but ask him not to close until it is absolutely necessary. Mr. Yates said that if the City Council will give him permission to use up to \$400,000 of the general fund and utility fund balance for the payments, he thought that would be the best of both worlds and would probably keep the City from having to borrow any funds. Mr. Yates said that as long the funds are approved, they could trigger the borrowing anytime they double up or go beyond the \$400,000 limit allowed.

Rebecca Huss asked Mr. Foerster if that would allow him enough time to get all the paperwork done, if necessary, if the Mr. Yates says that they need more funds. Mr. Foerster said that he thought what they might want to do is just table the action tonight, since they do not start construction until the first of January 2018, and just advise the bank that the City is reviewing their options, and they will bring the matter back to City Council for consideration. Mr. Foerster said that the City will also have some additional revenue coming in, ad valorem taxes

at the end of the year that could make it a little easier. Mr. Yates said that they would never be more than two weeks away from approval, because they could put the item on every agenda and table until it was needed. Mr. Foerster said that he thought the bank would be fine with that action, because they have been very good to work with, in his experience, both in this situation and a previous City. Mr. Foerster said that the bank will be accommodating and he appreciates what they have done. Rebecca Huss said that the bank's willingness to lend is really based on the City's credit rating rather than the City's desperation or need. Mayor Jones said that the City runs a lot of funds through their bank. Mr. Yates said that it is the full faith and credit of the City. Rebecca Huss said that it is really the timing and whether the City can do the process without having to borrow funds, and the City's credit rating will remain the same.

Mr. Yates said that he was recommending tabling action on the loan, and to authorize him to use general and utility funds up to \$400,000.

Dave McCorquodale moved to table Agenda Item 7 with the inclusion of allowing the City Administrator to use up to \$400,000, from the general and utility funds, to cover contactor draw requests. Rebecca Huss seconded the motion.

Discussion: Rebecca Huss stated, to be specific, the amount of \$400,000 was a combined total from the utility and general funds, not \$400,000 from each of those funds. Mr. Yates said that was correct.

The motion carried unanimously. (3-0)

Rebecca Huss thanked Mr. Yates for bringing this thought of financing.

8. Consideration and possible action regarding a request for authorization to proceed with the process regarding Lone Star Parkway Inclusion in Houston Galveston Area Council Transportation Improvement Program.

Mr. Roznovsky presented the information to City Council, stating that this is a way for the City to receive federal funding to upgrade Lone Star Parkway to a Farm Market Road, from SH 105

to SH 105, and making a bypass for large trucks and other congestion to go around the City versus through the center of the City. Rebecca Huss said that she thought that was what the City was getting as part of the County's money, and that was why the City would accept it because it would be a good enough quality road that the City would not immediately have to put money into it. Mr. Roznovsky said that the County has raised the road to TxDOT's standards, but it is not TxDOT Farm to Market Road standards or bypass for large truck traffic.

Mr. Roznovsky said that they don't have the cost estimates or anything on the road, but they think that the effort from start to finish will be around \$10,000 for the meetings and maps, exhibits and data that they will need to support it. Mr. Roznovsky said the one thing that is kind of working in the City's favor is Mr. Holzworth, a consultant for the County and other entities, has recollections of other meetings and plans by TxDOT previously that this was already included or at least included on the plan to make an FM road, so that could make the process a lot easier if it is already on their plans.

Mayor Jones asked if the City gets into this, is this only applied to Lone Star Parkway. Mr. Roznovsky said that what they are considering now is just Lone Star Parkway, north of SH 105.

Mr. Roznovsky said that this funding would go up to 90% of the cost for a major project to upgrade the road, and the 10% would have to come from somewhere locally, which is where the partnership with the County and the City might be possible. Rebecca Huss said that if Mr. Holzworth is involved, that is the County. Mr. Yates said that the percentage of the grant on these projects is usually 90%, which is the reason why the City would go through this process. Rebecca Huss said that one of the discussions that they have had about what is happening with FM 149 and upgrading that road, and moving some of the heavy traffic out of downtown and doing any diversion can't happen because TxDOT won't divert off of FM 149 onto Lone Star Parkway if it is not a Farm to Market Road. Rebecca Huss said that if this were to happen first, then it would be good timing on a number of respects, and if they could make it mandatory for heavy truck traffic to divert around downtown that would also solve some other problems.

Mayor Jones asked about the process of making Lone Star Parkway truck ready, and asked if they have to tear up the road and start all over. Mr. Roznovsky said that he did not have that answer right now, he would have to look at what it exactly there today, what are the requirements for a Farm to Market Road. Mr. Roznovsky said that he would think that it would be a stronger heavier road that would support the larger truck bypass traffic versus what is there today.

Rebecca Huss said that Mr. Shackleford had advised her before that he had never heard of a City being able to proactively create an FM Bypass. Mr. Roznovsky said that he thought that was the push to get the County in for funding. Mayor Jones said that TxDOT in general does not like dealing with municipalities, but they will deal with the County.

Mr. Yates said that primarily to his mind, what they are paying for is about a year and a half worth of contact that will get them on the TIP list, and then when they are on the TIP list they will just need to watch over the project. Mr. Yates said that he would like to get a citizen interested in this project, because HGAC is starting a general transportation study. Mr. Yates said that you have to get on the TIP list, and you have to watch over the project, because they stage the projects 5, 10 to 15 years ahead.

Mayor Jones asked if they choose to do this project, do they need to come up with funds at this time or will it come out of normal engineering. Mr. Yates said that it would come out of normal engineering.

Rebecca Huss moved to direct City Staff and Jones and Carter to pursue adding Lone Star Parkway to the Houston Galveston Area Council Transportation Improvement Program. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

9. Consideration and possible action regarding authorization to proceed with preparation of construction plans and technical specifications for the FM 149 Pedestrian Lighting Plan, to be included in the TxDOT FM 149 Improvements Project.

Mr. Yates advised that this would be to hire Jones and Carter to perform the pedestrian lighting plan design in conjunction with the FM 149 paving project. Mr. Yates said that the Montgomery EDC is willing to pay for the fee. Mr. Yates said that the Montgomery EDC has,

in the past, supported downtown development, including budgetary items for downtown development improvements this year for \$55,000.

Mr. Yates said that the work described in the engineer's proposal is to create a plan set that will be delivered to TxDOT that includes the full design of the ornamental lights. Mr. Yates said the reason this is before City Council is that TxDOT needs this design before they can finish their design.

Mr. Yates said that the concern that he has, that he will tightly manage, is the amount of time spent in design considering that TxDOT has not yet finalized their plans for the roadway. Mr. Yates said that he would not want the City Engineers to be designing for a certain corridor of alignment and then have TxDOT change their layout requiring a new corridor and design. Mr. Yates said that he would not let that happen.

Mayor Jones said that TxDOT will expend their own dollars to build the pedestals and to bury the conduit, although the City would have to pay for the conduit when the time comes, but TxDOT will install the concrete that the light will set on. Mr. Yates said that TxDOT will also place the conduit. Mr. Roznovsky said that the City will be responsible for the electrical work, so pulling the wires and setting the controls, transformers and setting the lights. Mr. Yates said that the cost is \$18,000, which is a not to exceed figure.

Dave McCorquodale asked if there were any numbers on what the installation costs, or the ultimate cost to the City, not for the design of the project, but for the implementation of the project. Mr. Roznovsky said the number of lights drives the cost, so the quote that was received a while back for the lights themselves was between \$3,000 - \$3,500 per light, so including connection of the light it would be roughly \$4,000 per light, which would be phased in over time. Mr. Roznovsky said that the conduit might be laid out and in the first year they might install two or three lights. Mr. Roznovsky said that the things that would have to be done, would be the electrical, which is close to \$75,000 between the pedestal, including running the wires through the conduit, and making all the connections ready for the lights.

Dave McCorquodale said that one of the thoughts that he had on this is, with respect to the last TxDOT Project on FM 149, he does not feel that he saw really anything until they were ready to move forward and then everybody pulled back. Dave McCorquodale said that if he were to support this project, he would want to see some very, very early designs to let them know where the project is going initially, because he does not feel like City Council was really in the

loop, at all, on anything. Mr. Yates said that he would agree with that statement, and he thought that they would probably look at that in mid to late January. Mayor Jones said that they have some older versions that might give you an idea of the project, and said that mostly what is missing right now is where exactly the curb cuts will be.

Rebecca Huss said that she thought what was missing right now is still the things that were missing before, because there has been no consultation with landowners, there is the issue that came up with the whole nonsense about pavers and landscaping and planters, and if the TxDOT superiors had known about it, it would have pushed the funding to 2022, so they would have never had it anyway. Rebecca Huss said that the City is still in the same spot that they were before, they have a TxDOT representative saying that the City is going to get exactly what they give them, so the City will not be any further ahead than they were two months ago when people were very upset about the lack of consultation, willingness to adjust TxDOT's steamroller format for Montgomery. Rebecca Huss said that she has a serious issue, in general, with the way Montgomery has spent money before, which is throw money at one particular project without any cohesive plan for downtown. Rebecca Huss said that she thought that they had talked before about the idea of having a true design plan that included all of downtown, that was an actual thing that people could work towards and how this lighting plan would fit into that plan. Rebecca Huss said that now they are talking about \$18,000, plus \$75,000 and \$4,000 per light, and no idea of how it actually fits in to any plan, and it is going back to the piece meal junk that goes along with letting things happen rather than planning it out, and determining our own future.

Mayor Jones said that granted, they are somewhat at the mercy of TxDOT, but they are working with the City to try and do some things in that section of downtown that would benefit us, with things that we think we would like, such as decorative lighting. Rebecca Huss said that they will have decorative lighting to go with the narrow streets and no parking. Mayor Jones said there is not an issue with parking. Mayor Jones said that Mr. Yates is working with TxDOT, and Mr. Yates is going to walk around to every single business owner downtown and ask what they want. Mayor Jones asked that City Council give Mr. Yates time to do that with Mrs. Vu, and once that is done, they will present City Council with a drawing of the project showing what is wanted.

Mayor Jones said that TxDOT was horrible with their communication; now the City is trying to resolve that matter. Mayor Jones asked to let Mr. Yates and Mrs. Vu get through the process,

and everyone will be communicated with about the project. Mayor Jones said that TxDOT will include the pedestals for future lights if the City wants them, so they have to get the information to be included in the drawings.

Dave McCorquodale said that some of his apprehension he has is that a lighting plan certainly feels subordinate to an overall plan, a lighting plan feels like the layers after the plan is put together. Dave McCorquodale said that if the lighting plan that they come up with does not match the plan that TxDOT comes up with then they have to go through revisions. Dave McCorquodale said that typically lighting plans are not done, at least from a site development standpoint, if you don't have an idea of how the site is laid out. Rebecca Huss said that if you read the minutes, it looks like TxDOT is not going to give them any crosswalks or anything like that, so there is no need to worry about that. Dave McCorquodale said that he feels like this is a very, very narrowly focused goal, and he would not be able to make an argument that they would not need a lighting plan, but in the context of what he has in front of him right now that says "here is the goal for the downtown area," it certainly feels like the cart is way out in front of the horse. Mayor Jones said that it was not the whole downtown, it is just FM 149, and as he sees it, their future vision has to play off of that. Dave McCorquodale said that in the absence of any downtown plan, he does not see the logic of this. Mayor Jones said that he guessed they could say don't do anything, although they have been asking for it for ten years, and leave the muddy ditches because we can't decide if we want a sidewalk there. Dave McCorquodale said that the lights are not going to fix the mud. Mayor Jones said that the sidewalks will fix the mud, and the lights have to be included in the TxDOT plan because they are going to install the pedestals. Dave McCorquodale asked if TxDOT has a percentage on where they are at with that plan right now, because that is some of the unknown. Mayor Jones said that they are at 80%. Mr. Yates said that they are waiting on the first revision since the first meeting. Rebecca Huss said that they are 80% of the way done, per your estimate, without doing any consultation, and we are going to end up right back in the same spot with Metcalf and Nichols not being willing to rescind their letters asking for consultation, flexibility, and for TxDOT to respect Montgomery's downtown historical nature and not steamroll it. Mayor Jones said that Mr. Yates, Mrs. Vu and the TxDOT representative are going to walk around to every property and speak to all the property owners. Rebecca Huss said that if TxDOT is 80% done there is really nothing to talk about. Mayor Jones said that is not the case; TxDOT knows that they want to put sidewalks in certain places, and now really what they are down to is can they still allow the head in parking here or not, and is there enough room, and parallel parking,

so they are going to ask all these questions of the property owners. Dave McCorquodale said that he thought, in the absence of seeing any type of plan, he needs to see something, he can't support a lighting plan in the context of all this other stuff being assured is happening, but not seeing any of it, because he has not seen one plan, and said that he likes to look at drawings and plans. Mayor Jones said that he could understand how Dave McCorquodale feels. Dave McCorquodale said that in the absence of any plans or drawings, he does not see the wisdom in a lighting plan at this point. Dave McCorquodale said that it sounds like there is a whole lot of stuff that is being done; it is just that he does not have any access to that information, but he is being asked for the lighting approval with the promise of the other stuff.

Dave McCorquodale said that he would ask to see, at the next meeting, where the project is now because he does not feel like he has gotten a really good explanation of it. Mayor Jones said that Dave McCorquodale was right and he felt that he deserved that information, and they should have done that, but since it was a work in progress, it did not happen.

Mr. Yates said that he thought, by the next City Council Meeting, he could have a rough sketch of what would happen at the corners, where there will be lights and where there will be enclaves and landscape areas in the downtown area, something that he has already shown the HMBA, which they liked. Dave McCorquodale said that information and whatever we have from TxDOT would be what he wants to see. Mayor Jones said that they have some of the older TxDOT drawings, which will be similar. Dave McCorquodale said that he would admit that lighting is an integral part to any type of urban space. Mayor Jones said that Mr. Yates' walk around probably won't occur until January. Mr. Yates said that it will probably be the second week in January. Mayor Jones asked if there are some of the old drawings that they could pass around to City Council. Mr. Yates said that they did not really have any old drawings. Rebecca Huss asked what the purpose of the old drawings were, unless they were making no change to the project. Mayor Jones said that was not the case; the drawings were to give City Council a feel of what the project is looking like. Dave McCorquodale said that to be fair, he did not think that there is a lot that is going to change, but then he did not see the old drawings. Rebecca Huss said that if TxDOT is not going to let the contract until the end of 2018, then it is not a big emergency. Mr. Yates said that was correct, they are hoping to have City Council's approval by the end of February. Rebecca Huss said that even then she has concerns about the focus; she prefers to focus on the big priority that is mobility, which is the SH 105 and FM 149 intersection, and getting everyone's attention focused on getting that fixed because that should be the priority, not wasting money on TxDOT doing planters, pavers and sidewalks downtown,

which they have not had a safety issue that would mean they have to completely change the way we currently park and how people walk on the sidewalks, or lack thereof. Rebecca Huss said that they do have a problem that is discussed around town that is unanimously discussed among business people that the FM 149 and SH 105 intersection needs to be addressed and she worries that spending so much effort on this fluffy stuff they are missing the real fundamentals of the engineering that needs to happen and the money that needs to go into fixing the problem at the intersection. Rebecca Huss said if there is only a certain amount of money, she does not want to spend it on fluffy stuff.

Dave McCorquodale moved to table the authorization to proceed with preparation of construction plans and technical specifications for the FM 149 Pedestrian Lighting Plan, pending additional information submitted to City Council, i.e., the status of the plans now, and any other relevant information that staff might have for City Council. T.J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

10. Presentation of Utility and Economic Feasibility Study for the 80-Acre First Hartford (Mabry) Single - Family Development.

Mr. Roznovsky presented the study to City Council regarding the 80-acre tract of land on FM 1097, next to Terra Vista, which is currently outside the City limits and would require annexation. Mr. Roznovsky said that the current plan includes 345 single family homes, and 2-3 acres of commercial property.

Mr. Roznovsky said that, based on the number of lots in the development, it would require a variance for the minimum lot size and width. Mr. Roznovsky said that regarding water capacity, they are requesting 100,000 gallons a day water capacity, which they have verified with the current average per single family home. Mr. Roznovsky said that the City is at 140% capacity, based on the projected buildouts, which is not expected to occur until 2023, the City would expect to hit capacity in 2020-2021 time frame.

Mr. Roznovsky said that the 12-inch waterline would need to be extended along FM 1097 and would be required to loop back in somewhere, either Waterstone or Terra Vista to close the

loop. Sanitary Sewer is the same as water, which would be 140%, and in 2019 the City would need to be in design planning, and in 2020 start construction. Mr. Roznovsky advised that they have a detention pond in the proposed land plan, and they would have to get an easement from the property owner to the south to get the outfall to the lake. Mr. Roznovsky advised that the property has a single point of access, so that would be something that would have to be discussed for the different options.

Mr. Roznovsky advised that the property will be subject to Impact Fees, which become effective tomorrow on December 13, 2017, and would be assessed approximately \$1.5 million to be due when they connect to the system. Mr. Roznovsky said that they are looking at a total in development costs of \$2.6 million dollars, not related to anything internal.

Dave McCorquodale asked for clarification between the site map and the preliminary land plan, which looks like there is a whole lot more frontage. Mr. Roznovsky said that the preliminary land plan north is to the right side of the page, and when you are looking at the aerial exhibit, north is at the top of the page. Dave McCorquodale said that when he is looking at the aerial map, he is looking at the pointed lot, on FM 1097. Mr. Roznovsky advised that the FM 1097 location is next to Terra Vista. Mr. Roznovsky advised that the commercial reserve is adjacent to Terra Vista that is approximately 2.8 acres of land.

Mr. Roznovsky said that based on the projected value, the ad valorem tax would be \$347,000 per year when they are at full development. Rebecca Huss said that they are having to expand their sewage treatment plant before their assessed value. Mr. Roznovsky said that was correct.

Rebecca Huss asked about when they reduced the Impact Fee, it was specifically related to the number of homes that was in this development, because the denominator got bigger. Mr. Roznovsky said that was based on a development, not this development. Rebecca Huss said that if this happens again, and these are only half way built out, would their impact fee drop as they do online. Mr. Roznovsky advised that the fee is assessed when they plat the property and it is approved and recorded; the fee is set.

Mr. Roznovsky said that the developers are looking at different options and in the future they will be approaching City Council. Mayor Jones asked if the land had been closed on. Mr. Roznovsky said that the land is under contract.

Dave McCorquodale moved to accept the Utility and Economic Feasibility Study for the 80-Acre First Hartford (Mabry) Single - Family Development. T. J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

11. Buffalo Springs Bridge Report by City Engineer.

Mr. Roznovsky advised that he had covered the information in his monthly report, but stated again that they had received the final signed project worksheet this morning from FEMA, with all the information included. Mr. Roznovsky advised that the amount that FEMA approved was \$1.92 million. Mr. Roznovsky said that they should have the contacts in hand tomorrow to send to Mr. Foerster for him to review, and then they will go to the City for execution. Mayor Jones said that dirt will be turned on January 2, 2018. Mr. Roznovsky said that was the plan, and said that the contractor had called to make sure that everything was ready to go.

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 as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:

- a) Section 551.071 - Confidential consultation with the City Attorney about possible contractual negotiations.

Mayor Jones convened into Executive Session at 7:51 p.m.

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

Mayor Jones reconvened the Open Session at 9:08 p.m.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

13. Consideration and possible action, if necessary, on matters deliberated upon during Closed Executive Session with the City Attorney.

Dave McCorquodale moved to authorize the City Attorney and City Administrator to proceed with negotiations to enter into an Interlocal Agreement with ESD 2 for sharing sales tax; 50% to the City of Montgomery and 50% to ESD 2. T.J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

COUNCIL INQUIRY:

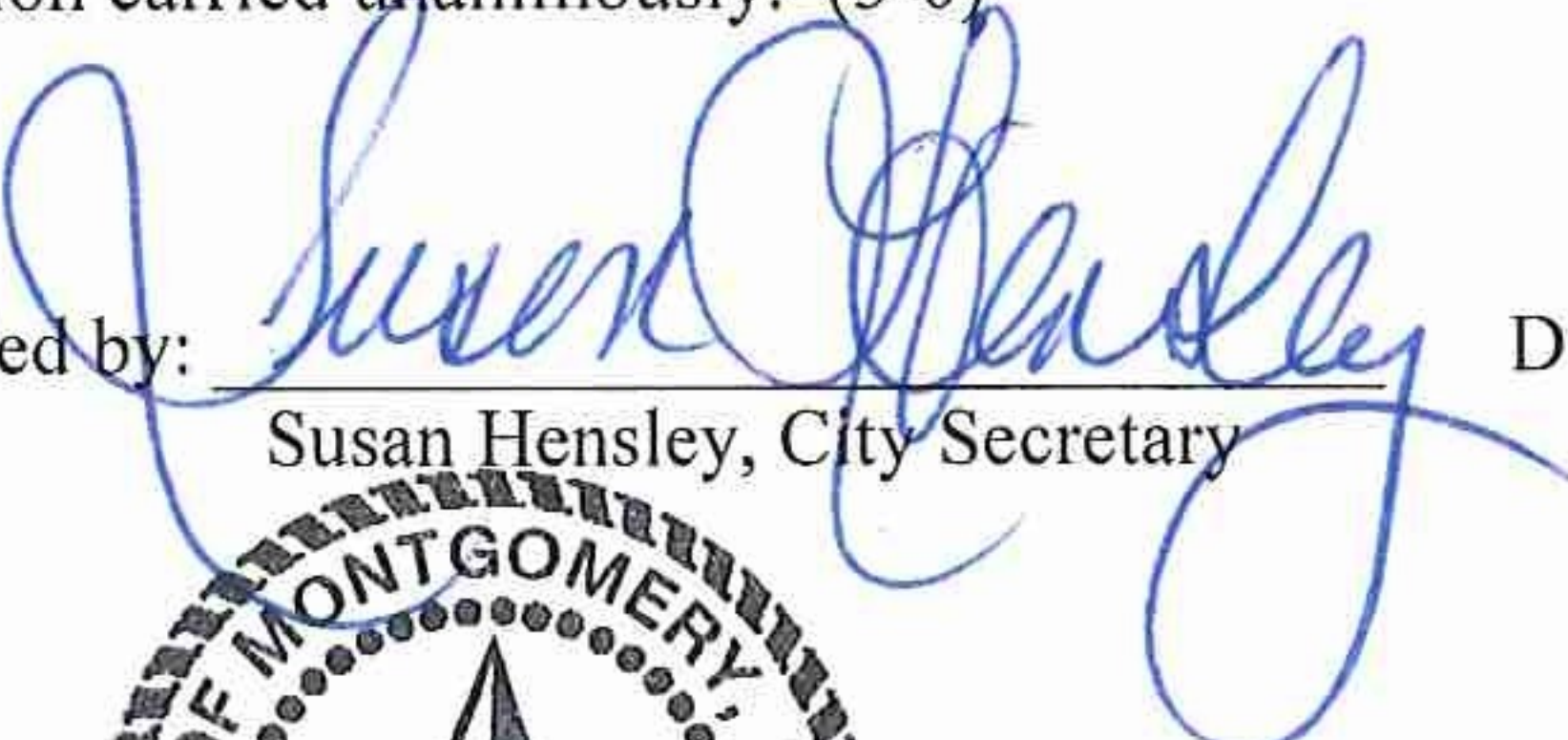
Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or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

No comments were made.

ADJOURNMENT

Dave McCorquodale moved to adjourn the meeting at 9:10 p.m. Rebecca Huss seconded the motion, the motion carried unanimously. (3-0)

Submitted by:


Susan Hensley, City Secretary

Date Approved:

01/09/18





Mayor Kirk Jones