

MINUTES OF PUBLIC HEARINGS and REGULAR MEETING

October 10, 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
	John Champagne, Jr.	City Council Place # 2
	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
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Also Present:	Jack Yates	City Administrator
	Larry Foerster	City Attorney
	Susan Hensley	City Secretary
	Chris Roznovsky	City Engineer

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 6:03 p.m.

1. Alcohol Beverage Permit Application regarding an Alcohol Beverage Permit Application for the Pizza Shack to be located at 19132 Stewart Creek Road, Montgomery, Texas.

Mr. Yates advised that there had been no comments received from the public by City Staff

after the public notice and letters were sent.

Mr. John Simmons, owner of Pizza Shack, was present. Mayor Jones asked Mr. Simmons when they anticipated opening the new restaurant. Mr. Simmons advised that they expected to have their grand opening during the last two weeks of November and definitely by the first of December. Mayor Jones said that they are looking forward to the opening. Mr. Simmons said that he was looking forward to the next 20 years of being in the City of Montgomery.

No other comments were made.

Adjourn Public Hearings

Mayor Jones adjourned the Public Hearing at 6:04 p.m. and convened into the second Public Hearing.

2. **Annexation of a 10.15-acre tract of land, more or less, described as a 120-foot right-of-way in State Highway 105 west of the City of Montgomery and in the BENJAMIN RIGBY SURVEY, Abstract No. 31, of Montgomery County, Texas. (This is the first of two Public Hearings)**

Mr. Yates stated that this annexation is on the west side of the City. Mr. Yates said that when the property on both sides of SH 105 was annexed the City failed to annex SH 105. Mr. Yates said the annexation is primarily for police operations as far as being able to work accidents and direct traffic on SH 105.

No other comments were made.

Mayor Jones adjourned the Public Hearing at 6:05 p.m.

Convene into Regular Meeting

The meeting reconvened into 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. Gregory Parker thanked the City Council for nominating him as their representative to the Appraisal Board of Directors and for trusting in him. Mr. Parker said that he wanted to let City Council know that things are going well.

Rebecca Huss asked Mr. Parker what he would do if he were win a seat on the Appraisal Board. Mr. Parker said that the first thing that he believed should be done is to evaluate the rate in which appraisals are moving forward, and they need to hold the line, because they are going up entirely too fast. Mr. Parker stated that they needed to make sure that the technology behind the Appraisal District is current, while the spending remains intact, which he said can be done because he has done it before. Mr. Parker said that those would be the things that he would tackle if he wins the seat. Mr. Parker said that if he is elected to the County position that he is running for, he would actually step off the Appraisal Board, because that would be a conflict of interest to do both. Mr. Parker again thanked City Council and Mr. Yates for getting in touch with him.

CONSENT AGENDA:

3. Matters related to the approval of minutes for the Public Hearing and Regular Meeting held on September 26, 2017.
4. Consider and possible action regarding approval of the Alcohol Beverage Permit Application for The Pizza Shack to be located at 19132 Stewart Creek Road, Montgomery, Texas.

Rebecca Huss said that she would like to comment Ms. Hensley for her stamina regarding the minutes, and said that she did not have any comments about their accuracy because they were very accurate.

Dave McCorquodale moved to approve the Consent Agenda items 3-4 as presented. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

CONSIDERATION AND POSSIBLE ACTION:

5. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS AMENDING THE CITY CODE OF ORDINANCES AT CHAPTER 98, "ZONING," BY RECLASSIFYING A 0.28 ACRE TRACT OF LAND IN THE JOHN CORNER SURVEY, ABSTRACT NO. 8 ON FM 149 SOUTH, FROM "INSTITUTIONAL" USE ZONING CLASSIFICATION AS FOUND ON THE CITY'S OFFICIAL ZONING MAP TO STRICTLY "COMMERCIAL" USE; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE UPON PUBLICATION.

Mr. Yates advised that this was approval of the rezoning of the Bays property. Mr. Yates said that there have been public hearings held by the Planning and Zoning Commission and City Council and there were no comments made in opposition to this change. Mr. Yates stated that the Planning Commission unanimously recommended approval of the zoning change. Mr. Yates said that the property is immediately north of the MISD bus barn and north of the creek, and adjacent to the pond built by Heritage Place Apartments.

Rebecca Huss noted, for the record, that this is located on FM 149 which is one of the main commercial roads in the City.

Dave McCorquodale asked if the City knew whether the property owner had received a letter when the property was changed to institutional. Mr. Yates said that he did not know about that, but he could not find any information that stated it was not zoned as institutional. Mayor Jones said that they felt that it was probably a residual from some school property in the past. Mr. Yates said that he believed the person when he told him that location was a business before because it is kind of a panhandle shaped property, and he would not know why, north of the creek, that they would be considered part of the bus barn. Mr. Yates said that when he went back and looked at the old zoning maps, it was always listed as institutional.

Dave McCorquodale moved to adopt the ordinance as presented. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

6. Consideration and possible action regarding adopting the following Resolution:
A RESOLUTION BY THE CITY COUNCIL FOR THE CITY OF MONTGOMERY, TEXAS,
PURSUANT TO THE TEXAS PROPERTY TAX CODE, SECTION 23.02, AUTHORIZING
THE REAPPRAISAL OF ALL PROPERTIES WITHIN THE CITY THAT HAVE BEEN
DAMAGED BY HURRICANE HARVEY AT THEIR MARKET VALUE IMMEDIATELY
AFTER THE DISASTER.

Mr. Yates advised that this is being presented because the County Commissioner's authorized a resolution for the reappraisal of properties damaged due to Hurricane Harvey and taking that action allows taxing jurisdictions in the County to also allow reappraisals. Mr. Yates said that the City, as a taxing jurisdiction in Montgomery County, has the option to allow the reappraisals.

Mr. Yates advised that he had not heard of any damage to property in the City due to the hurricane. Mr. Yates said that Montgomery County has not had any reports of damage from properties in the City of Montgomery. Mr. Yates said that he could send a press release out to solicit damage reports, but in doing so it would not affect the Council's action, but it would be up to the City Council.

Mr. Yates said a property owner can inform the Montgomery County Appraisal District that they feel they are due a reassessment of their property due to damages during the hurricane by visiting their web site and filling out a survey for damage and possible reappraisal. Mr. Yates said that after the District is contacted, the property owner will receive a preliminary assessment as to whether the property will receive a reappraisal. Mr. Yates said that if the property is reappraised it will hold that new value for the time between August 26, 2017 through December 31, 2017. Mr. Yates said that at the first of 2018 the property would be reassessed as part of the normal annual reappraisal process.

Mr. Yates said that cost to the City for a reappraisal of the properties that are reappraised is the total cost of the reappraisals throughout the County divided by the number of parcels reappraised in the County. Mr. Yates said that although it is an estimate, the Chief Appraiser, Tony Belinoski, said that he thought that there might be a cost of \$180,000 divided by 6,000 properties getting reappraised, which would result in a \$30 per reappraisal cost to the City. Mr.

Yates said that he doubted that within the City there would be three reappraisals, costing the City \$90.

Mr. Yates said that it was his recommendation for City Council to pass the Resolution realizing that very few property owners would qualify for the reappraisals, and said that it would not cost very much for the reappraisals and might reduce the total assessment to probably less than \$10,000. Mr. Yates said that he did not know how many reappraisals there would be or the value of those reassessments.

Rebecca Huss said that overall she felt that they are in a fairly fortunate financial position, whereas the people that need the reassessments would not be, so it makes sense to her to go ahead and allow and encourage the reassessment of the property, and if they need to have their taxes lowered as a result, she is fine with that. Rebecca Huss said that she was surprised to have read in the newspaper that other taxing entities have pursued other options. John Champagne seconded that thought.

Rebecca Huss moved to adopt the Resolution as presented. John Champagne seconded the motion, the motion carried unanimously. (4-0)

7. Presentation of proposed adjustment to water and sewer rates.

Mr. Yates said that at the last meeting there was a question about the efficiency of the Water Department and he believed that Mr. Roznovsky had something regarding that matter.

Mr. Yates said that he wanted to point out that his intention is to conduct a line-by-line revenue and expenditure of every item in the budget. Mr. Yates said that it has been his thought to conduct this audit for a couple of months, but this seemed like a relevant time to bring this matter up. Mr. Yates said that he had given Council a copy of his line item review, which is basically a review of every line item, approximately 400 line items in the budget. Mr. Yates said that what they will do is look at it like zero based budgeting, where you start from the basic reason why you perform that function and where the funds come from. Mr. Yates said that they will also look at whether the budget item has a formal agreement associated with the expenditure, whether it was an assignment from the City Administrator or a Council action

item. Mr. Yates said that they will also have a written protocol as to whether there is a procedure for the action. Mr. Yates said that there will also be a technical analysis of whether or not the City is performing the function as technologically advanced as they can. Mr. Yates said that they will look at the function to determine why they are doing the function, but also looking at whether they should be doing the function, and how they should be doing it. Mr. Yates said that they will also review the future plan for each function. Mr. Yates said that they will also show the functions related to the current budget, 2018-2019 and 2019-2020 budgets, so that they can look ahead and plan for the future.

Mr. Yates said that once these line items are completed, they will be reviewed by a group, which he is proposing that there be a basic Committee to be comprised of the Mayor, Mayor Pro-tem and himself that would meet in the afternoons with each Department Head regarding their line items, whether revenues or expenditures. Mr. Yates said that he felt that the staff has watched the City funds very well, but he also felt that they have sort of fell into the habit of saying that they have spent a certain amount on an item the previous year, so they will automatically put in that amount. Mr. Yates said that he felt that they needed to take apart each expenditure and examine it. Mr. Yates said that he had thought about conducting this audit a while back, but he had not presented it to Council. Mr. Yates said that what he is planning on preparing during the month of October is a chart of accounts, which is a written definition of every line item in the budget. Mr. Yates said that he will get the budget line item worksheets to the Department Heads so that they can have an opportunity to fill them out prior to the Committee Meeting. Mr. Yates said that he was thinking that the Committee would meet with the Department Heads, and occasionally the City Engineer, one afternoon per month or per week in the conference room, depending on the members of the Committee being available. Mr. Yates said that the basic idea is to review every expenditure and revenue.

John Champagne asked to confirm that there would not be any budget adjustments, it would just be an evaluation of the line times. Mr. Yates said that was correct. Mayor Jones said that it would probably affect the next budget. John Champagne said that any budget changes would have to be approved by City Council. Mr. Yates said that was correct. John Champagne said that he felt that this was an outstanding idea, but the analysis of the function would have some assumptions made, for example, that the quality of service would be the same for both the contact and the City. Mr. Yates said that is correct.

Mr. Yates said that with the Committee and the Department Head looking at each function or activity in the budget, with a slightly different point of view, and with the Department Head having very detailed knowledge of the function, they could get very specific about the function. Mr. Yates said that the other thing that he liked about the review, is the written protocol and procedure, because it forces them to think through what the steps are, whether it is making copies or reading water meters. Rebecca Huss said that ideally, without the pressure of getting the budget done by a certain date, within that process, they can look at the function to determine whether there is a better way to do this, or whether they should cancel that function all together and do something completely different that would be much more effective and/or more customer service oriented, or whatever. Rebecca Huss said that it could be a multi-stepped process that could not be done under the confines of starting to look at the budget in June, public hearings in July and August, and then passing the budget by the end of August. Rebecca Huss said that if they start in November, they might be able to get the review done by the time the budget time rolls around for the next year. John Champagne said that, to the point, that the analysis of the budget functions would include how the customer is being served best, which should be number one. Mr. Yates said that customer service was a good point. Dave McCorquodale said that the process looked good to him.

Mayor Jones asked if Mr. Yates required an official action from City Council to conduct this review. Mr. Yates said no he did not, but said that he would like the Mayor and the Mayor Pro-tem to state their willingness to serve on the Committee. Rebecca Huss and the Mayor both stated that they would serve. Mr. Yates said that he appreciated them serving on the Committee and said that it would be a fair amount of time to work on the project. Mr. Yates said that there would be someone there to take down the thoughts. Mr. Yates said that what he pictured was having two 3-ringed binders, one for the worksheets and the other binder with the agreements or contracts, procedures and everything that is related to the items. Mr. Yates said that Ms. Hensley had advised him this afternoon that the City of Shenandoah used a sheet similar to this worksheet for their budget preparation, so it could be used more extensively than what he originally had in mind. Mayor Jones said that once they get through the first analysis of the budget, then each Department Head does that in preparation of their budget. Mr. Yates asked Mr. Roznovsky if he had anything else pertaining to Water and Sewer. Mr. Roznovsky said that he did not.

Rebecca Huss said that one thing that did not get discussed last time was when they went through the rate process, they discovered that the lowest users of the City, which were one third of the customers, were the only ones who are paying the cost of producing the water, so as a group they decided that the base rate would not be adjusted in any of the options in any of the years that they were envisioning making adjustments. Rebecca Huss said that when they are discussing the different option, there was never a discussion of changing the prices for people that use 2,000 gallons of water or less that any household consumes. John Champagne asked what part of the 400+ people use less than 2,000 gallons of water. Rebecca Huss said that it was one third of the City's users. Mr. Yates said that it was about 30 percent of the users. Rebecca Huss said that the average residential user is a little over 7,000 gallons of water.

Mr. Yates said that, at this point, he was not asking for City Council's approval of the rate, he was just asking for direction on whether they wanted to select Option 1 or Option 2. Mr. Yates said that what he is proposing was to have a Community Meeting, which he would send out a notice of that meeting in the November 1, 2017 water bill.

Rebecca Huss advised that Mr. Randy Burleigh had prepared the spreadsheets in the back up information and has done a lot of work on the models predicting what bills will be based on all the different moving parts. Rebecca Huss said that one of the biggest adjustments that Council had talked about making was to the multi-family usage. Rebecca Huss said that when Jones and Carter did their first analysis, they found that the residential users were subsidizing the big users that consists of residential, commercial, institutional and multi-family. Rebecca Huss said that Council had said that a really important component of adjusting things was to make them more fair, and this is one of the steps to achieve that goal.

John Champagne said that the meter going into an apartment complex is generally only one meter, so he asked about the individual apartment dwellers and whether they were bound to pay whatever the average might be. Mr. Yates said that would be up to the multi-family owner. Mayor Jones said that the apartments are not individually metered. John Champagne said that as much as the City tries to be equitable, there is going to be some non-equitable application of these fees. John Champagne said that his question was about the water rate per 1,000 gallons, because he looked at the projected 2016-2017 City of Montgomery Water and Sewer Revenue, using monthly reports data October through August, and it comes to \$487,261 for

85 million gallons total, and he comes up with \$5.73 per 1,000 gallons of water. Mr. Yates said that figure sounded high to him. John Champagne said that he agreed with Mr. Yates, so he thought that he was doing something wrong. Mr. Yates said that information included all the users combined. Rebecca Huss said that for residential, yes that was high, but the commercial rates were higher. Mr. Yates said that institutional users were at \$5.95 per 1,000 gallons. John Champagne asked what the rate for residential end of \$155,844, what is the rate per 1,000 gallons. Mr. Yates said that right now that rate is \$5.50 per 1,000 gallons and it would remain the same at the new rate.

John Champagne said that he looked at the TML evaluation of cities and he understood that there are more variables other than population when it comes to providing City utilities. John Champagne said that for 2,000 people or less for 10,000 gallons, it is \$35.15 statewide average for residential sewer. John Champagne said that the statewide average rate for water, population 2,000 or less, for 5,000 gallons of water was \$42.18, which is about \$8.00 per 1,000 gallons. John Champagne said that according to the TML figures, the City is well into the ballpark. John Champagne said that for 10,000 gallons usage in the City would be \$6.61 per 1,000. John Champagne said that he was good with the City figures because they are right on the average for once.

Mr. Yates said that he wanted City Council to give him some direction on which Option City Council wanted him to discuss at the Community Meeting that he was planning on conducting. Mr. Yates said that he was planning on calling one meeting at 4 p.m. and the second meeting at 6 p.m. Mr. Yates said that he would have his computer at the meeting so that he can figure each customer's bill. Mayor Jones said that he would suspect that most of the people that might show up to the meeting are not going to be affected. Mr. Yates said that was probably correct. Rebecca Huss said that residential users, who use more than 20,000 gallons per month have already been increased to what they said was the maximum rate, and under 2,000 gallons per month will not be increased at all, so it is really just the people in the middle that they are trying to bump up a little to get gradually toward the cost of production. John Champagne said that he was not proposing that the City do this, but if you go to Bryan's website under water rates, they have a calculator that you put the amount of the expected water usage, so he put his usage of 13,000, and it calculated what his bill for \$4.14 per 1,000 gallons, so his bill would have been \$42.00 for water. John Champagne said that the City of Conroe reports that they have

the lowest, or one of the lowest, water rates in the area, but then they add on the surface water fee, Lone Star Groundwater fee, and then all of a sudden they are not the lowest rate, but on the front end they are lowest. John Champagne said Montgomery does not have a surface water fee or SJRA. Rebecca Huss said that the City does pay a groundwater reduction fee to ourselves to invest in the future.

Rebecca Huss said that a lot of the complaints that people have had, at least from her understanding from some of the people involved, is that there have been people with leaks and they have not been taking advantage of the Badger Meters online eyeonwater.com and set up a leak alert to monitor daily water consumption. Rebecca Huss said that the eyeonwater.com was a tool that the City provides that can help people figure out where and when they are using their water. Mr. Yates said that he thought that they could put the calculator on our website. Rebecca Huss said that she and Mr. Burleigh had discussed waiting until they decide what the rate adjustment would be to help people determine whether they need to get an irrigation meter, and whether the savings would offset the meter cost. Mr. Yates said that there was also the basic calculation of water and sewer usage to figure out your bill each month so that the residents can see what their new bill will be. John Champagne said that would give the community a sense of controlling their bill and being proactive, which is a good thing as opposed to being surprised.

Mayor Jones said that Mr. Yates' comments has lead Council to see that his preference is Option 2, which is less of an increase than Option 1, but with the same focus. Mr. Yates said that, with the impact fees and the increase of last year's rates, they will be transferring roughly \$500,000 to \$600,000 dollars from the Utility Fund to the Capital Projects. Mr. Yates said that while enough is never enough, \$600,000 is a long way toward being enough. John Champagne said to Mr. Yates, in moving forward, he would like the City to pay more attention to the other side of the equation, which is the cost of providing this service and to have Mr. Muckleroy and Mr. Williams be more proactive, or at least more transparent in terms of how they are trying to reduce costs, and looking at ways to do that. John Champagne said that he was still not convinced, because if he asked for people to raise their hand of the number that are drinking the tap water City wide, it would probably be greater than 50 percent that do not drink the water. Rebecca Huss said that was not fair for those guys, it has to do with where the water comes from. John Champagne said that he was not tying that number to that, although they

are paying a pretty good price for a product that you can't drink, so if he reduced costs in some areas it might allow us to do things to increase the palatability of the water. Rebecca Huss said the water is drinkable by all State Standards, and she did not think they should confuse the two issues between what your personal tastes are and what the legal standards are for potable water.

Mayor Jones asked if Council just needed to give Mr. Yates direction. Mr. Yates said that he will advise the public at the Community Meeting that City Council has considered Option 1, but they are leaning toward Option 2. Rebecca Huss said that she would also like to point out that Mr. Muckleroy has provided photos of his team walking behind a truck with the equipment crack sealing, and they were able to do twice as much crack sealing for half the cost instead of paying someone else to do the job. Rebecca Huss said that in terms of saving money and giving the City more value for the money they do spend, she thought that our Public Works guys are giving the City quite a bit of value. John Champagne said that he was saying that the City could always get better.

Mayor Jones said that he would add that if there is any way that the City can emphasize to those people that are going to be most affected by a change, that they try and contact them to attend the meeting, which it sounds like would be commercial, multi-family in particular, and institution. Rebecca Huss said that most of the impact will be on the sewer, which was the big area where they did not charge nearly enough for the cost of treating the waste at the sewage treatment plant, so that is where the big adjustment will be. Mayor Jones said that they are planning on residential sewer going up in both Options. Mr. Yates said that was correct, and said that for an average residential bill it will be increased \$2.50. Mr. Yates said that there will probably be an action item on the November Agenda.

8. Buffalo Springs Bridge Report.

Mr. Roznovsky advised that the City did receive a final draft from FEMA, which is the Project Worksheet. Mr. Roznovsky said that they had provided some clarifications to that document, which was language questions, regarding the wording of "right of way" and not "easement" and some additional clarifications on the document prior to Mr. Yates signing. Mr. Roznovsky said that was submitted to FEMA and they are expecting to hear back and have the final document.

Mr. Roznovsky said that regarding the CDBG grant side, where the City applied and is in the process of being awarded the contract for the \$350,000 grant to pay for a portion of the share, they have been coordinating with City staff and the Grant Administrator on that and they are beginning their final review process as well as all the other front end documents that they need to get that prepared. Mr. Roznovsky said that the Corp. of Engineers is still completing their review, which they are expecting to receive their approval shortly.

Mr. Roznovsky said that the first advertisement for bids will be this Thursday, with the second advertisement to run on the following Thursday. Mr. Roznovsky said that they will accept bids on November 2, 2017, which will be presented at the November 10, 2017 City Council Meeting. Mr. Roznovsky said that they will have bids and they can prepare the contracts while they wait for final environmental clearance from the grant side. Mr. Roznovsky said that once the environmental clearance is completed, the City can sign the contracts and issue the Notice to Proceed. John Champagne said that he did not realize that the grant people and FEMA have two different criteria for the environmental clearance. Mr. Roznovsky said that was correct; the Corp. of Engineers had to have the environmental submitted to them, FEMA has their environmental clearance and the CDBG has their environmental clearance, and they won't work together.

Mr. Roznovsky said that the good news is they will be out for bids, have bids at the November 10th Meeting so that City Council can award the contract, get the contracts prepared, and be ready to execute when the environmental clearances have been completed. Mayor Jones asked about the bids. Mr. Roznovsky said there will be two separate ads that will show up in the newspaper on Thursday; in the beginning the waterline was going to be included with the bridge as one contract, but since the waterline is an addition, the grant side needed an additional ten (10) weeks to clear it environmentally, so they split them apart and will bring both proposals back to City Council.

Mayor Jones asked about Plez Morgan. Mr. Roznovsky said that Plez Morgan was separate and is still waiting to be approved, so this will just be the Buffalo Springs Bridge and everything around and underneath. Mayor Jones asked where Plez Morgan stands in the approval process. Mr. Roznovsky said that Plez Morgan has been silent with FEMA, so they are pushing to get that one approved. Rebecca Huss said that they did not want to alienate FEMA until they get

the big project completed. Mr. Roznovsky said that it has been a continual fight with FEMA, with conference calls and calls to Congressman Brady's office to get responses from FEMA.

Mayor Jones said that Mr. Yates had made some progress on the short term funding. Mr. Yates said that was correct, they have received three quotes on the Interim Loan, with Amegy Bank having the lowest interest rate of 3.0, with the additional cost being \$2,000. Mr. Yates said that the next best quote was from First Financial, and Woodforest provided a quote of 3.8 interest rate, both of them quoted \$6,000 for additional cost. Mr. Yates said that he let Amegy know that they were the lower bid so that they could start preparing their documents. Mr. Yates said that he hoped to have them ready for presentation to City Council either at the next meeting or the first meeting in November. Mr. Yates said that City Council had approved going with the lowest interest rate, since it was fact based, and that he could work with the City Attorney to prepare the documents for City Council to execute. Mr. Yates said that either the next meeting or the one in November will allow plenty of time for the documents to be completed. Mr. Yates said that he was hoping for a lower interest rate of 3 percent. Rebecca Huss said that it was such a short period of time that it would not add up to being all that much of a difference in price. Mr. Yates said that was correct; he doubted that they could go over \$6,000 worth of interest charges for the entire loan. Mayor Jones said that one of them was the Wall Street Journal. Mr. Yates said that Woodforest Bank quoted the Wall Street Journal prime rate plus $\frac{3}{4}$ of 1%, but the problem with that was it was considerably higher right now and we would not know what the interest rate would be two to three months from now.

T.J. Wilkerson asked if there was any update on the Baja Project. Mr. Yates said that they had a conference call regarding the Baja Project last Tuesday or Wednesday afternoon and they said that the City had been awarded the grant, but the State was behind on the preparation of the contracts and they thought that it would be a couple of months before they would get an offer of contract. Mr. Yates said that it looked like they were talking about doing the work in January or February, but Baja will look different by next Spring, between the CDBG Grant and the GLO money. Mr. Roznovsky said that the Grant Administrator for that project has begun work and is starting to get the documents ready, and some of the preliminary items are underway. Rebecca Huss said that it would be nice if Baja was done before spring and the water that comes in the springtime. Mr. Yates said that it was his guess that the work itself would probably take about a month to six weeks to complete.

EXECUTIVE SESSION:

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

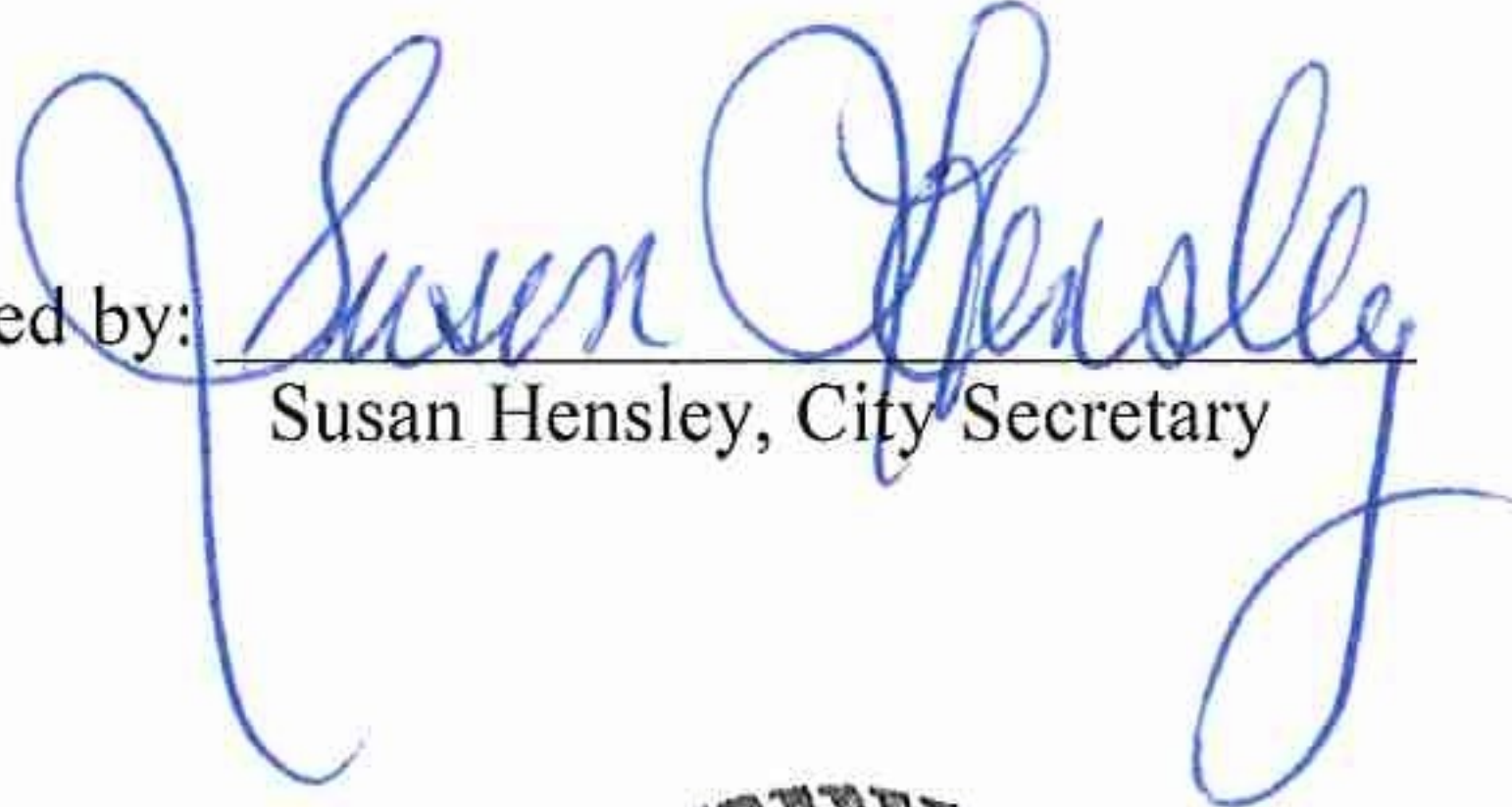
COUNCIL INQUIRY:

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

ADJOURNMENT

Dave McCorquodale moved to adjourn the meeting at 7:00 p.m. T.J. Wilkerson seconded the motion, the motion carried unanimously. (4-0)

Submitted by:


Susan Hensley, City Secretary

Date Approved:

10/24/17



Mayor Kirk Jones

