

MINUTES OF REGULAR TELEPHONE/VIDEO CONFERENCE MEETING

June 23, 2020

MONTGOMERY CITY COUNCIL

CALL TO ORDER

Mayor Sara Countryman declared a quorum was present and called the meeting to order at 6:00 p.m.

Present:	Sara Countryman	Mayor
	Kevin Lacy	City Council Place #1
	Randy Burleigh	City Council Place #2
	T.J. Wilkerson	City Council Place #3
	Rebecca Huss	City Council Place #4
	Tom Cronin	City Council Place #5

Absent:

Also Present:	Richard Tramm	City Administrator
	Dave McCorquodale	Assistant City Administrator
	Susan Hensley	City Secretary
	Alan Petrov	City Attorney

INVOCATION

T.J. Wilkerson gave the Invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

VISITOR/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. City 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. Matthew Melcher of the local Boy Scouts stated he was present as part of the requirement to earn his community and communications merit badge.

CONSENT AGENDA:

1. Matters related to the approval of minutes of the Public Hearing and Regular Telephone/Video Conference Meeting held on June 9, 2020.

Rebecca Huss said she adjusted a spelling error regarding the June 9, 2020 minutes which she emailed to Ms. Hensley that did not change the content or substance of the minutes. Ms. Hensley stated the change had been made.

2. Consideration and possible action regarding accepting the Heritage Place Parking Covenants as submitted by Chris Cheatham.

Rebecca Huss moved to accept the Consent Agenda as presented. T.J. Wilkerson seconded the motion, the motion carried unanimously. (5-0)

CONSIDERATION AND POSSIBLE ACTION:

3. Consideration and possible action on Department Reports.
 - A. City Administrator's Report

Mr. Tramm noted in May they began to see City Hall move towards normalcy, in many ways a new normal, as all departments began to open up and operate with full hours and full departments, and began to come back to allowing the public in. Mr. Tramm said through the end of May and into June, we are still seeing less public coming into City Hall as a lot of the people are utilizing their email, the online payment ability, or telephone to communicate. Mr. Tramm stated we continue at least once weekly to release updates to the City by posting them outside on the City building, and the City's Facebook page regarding general items related to certain ongoing items of the City and especially keeping people up to date concerning the COVID-19 situation so they know they can count on us for some of that information.

Mr. Tramm said the Montgomery Music and Mudbugs Festival was formally reset for March 27, 2021, as it was getting too late in the year for that event with there still being some

uncertainly, so Mr. Charlie Diggs the promoter went ahead and reset the event for next March. Mr. Tramm said Freedom Fest is still planned for July 4th and the Chamber will be taking extra precautions for the COVID-19 situation that are consistent with hosting a public event outdoors and we are looking forward to that event taking place. Mr. Tramm stated as everyone is aware, Sip & Stroll has already resumed activity so there is life in Montgomery and reasons for people to be out and about. Mr. Tramm said he wanted to specifically make mention that July 8th we will have a virtual town hall presentation of the Comprehensive Plan to receive public input.

Mr. Tramm stated in regards to the Home Grant, we had a couple of the dates extended, but he was told construction is preparing to move forward, as three homeowners have been given a move out date at the end of June and so we are waiting for confirmation at this point when construction should begin which should be fairly close to imminent. Mr. Tramm stated regarding the fourth home, we are just waiting on some documentation to sign that he has been told for the past two weeks should be any day. Mr. Tramm said they have been told the plan for all four should be constructed on a similar timeline so we will continue to press for information on that as we move forward.

Mr. Tramm noted July 14th would normally be the first City Council meeting in July, but at this point stated he didn't see any change that would have us doing an in-person meeting versus a Zoom meeting so we won't need to change our City Council meeting because of the Primary Election for which City Hall is a primary location. Mr. Tramm said he does not see a need to change that meeting but did want to make sure everyone was updated.

Mr. Tramm stated he will be out of the office beginning July 3rd for personal time. Mr. Tramm said he will be available if City Council or staff need to contact him via email or cell phone.

B. Public Works Report

Mr. Tramm stated he wanted to point out during the month they completed the parking expansion at Cedar Brake Park and installed new wooden parking-bollards with ropes connecting them and also the Texas Flag car stops were put out and we now have five of those and looking forward over the next month or so of getting another five out there in the City. Mr. Tramm said he thinks they have been a hit for several posts on Facebook where there was

a subject of one walking contest with people in the City finding a walking route to connect those and he is thinking there might be a couple of other cities wanting to borrow that concept and import to their area and hopefully they won't forget where they found that being from the City of Montgomery.

C. Police Department Report

Mr. Tramm stated he wanted to make sure everyone was aware that the department heads sent a letter to TxDOT requesting that a future traffic signal light be studied and looked at being placed at SH 105 and Buffalo Springs that will help slow down traffic through there especially with the continued commercial construction where we have the shopping center where Kroger is, Chick-Fil-A across the road from there, and Starbucks which is well under construction and said there is going to be a lot more traffic passing through that area and that will be needed for traffic control.

Mr. Tramm said the Police Department also had to cancel their training during May due to COVID-19 and will look at being rescheduled going forward.

Rebecca Huss said given the structure where everything comes out onto Buffalo Springs Drive unless they go ahead or somehow we convince them to go ahead and put a road through, that won't help the Chick-Fil-A traffic or the Starbucks traffic for some time. Mr. Tramm said he thinks other methods may become necessary, especially right there where you have that crossing point where Kroger and Chick-Fil-A are, and it's also an effort essentially to bring this to their attention sooner rather than later and to get that on their radar. Mr. Tramm said it is something he and the Chief had driven through and discussed before Chick-Fil-A even opened. Chief Solomon said he understood exactly what Rebecca Huss was saying and he talked to TxDOT about it as well, but right now what they are trying to do is eliminate the number of accidents that are happening there and they did a study before they sent the letter to TxDOT. Chief Solomon stated they have had some accidents there and went back to 2018 and just in that particular area since Kroger has been there, they have had quite a few accidents. Chief Solomon said the City Engineer, himself and TxDOT looked at where having the traffic light installed will help slow some of the traffic down with those people coming out until at some point one of the developers will help build a road coming through there and said they are doing that right now for precaution, just for accidents. Rebecca Huss said it might be an

incentive for the shopping centers to open once the light is there because it might make it more attractive to have access to a protected left turn. Randy Burleigh said he thinks the people at Buffalo Springs would like the light because they would be able to get out a lot easier since it is very hard to get out at that location. Randy Burleigh stated traffic does go slow from Kroger down to the intersection, but it sometimes takes five minutes to get out. Randy Burleigh asked if the light would be one of the smart lights like they have around the City. Chief Solomon said TxDOT will be looking at all our lights and said he does not know the last time they were updated. Chief Solomon said he knew they were talking about the school traffic area and he looked at that when he first started and said when Lake Creek High School opened up the first year, it took care of around 20-30 percent of the traffic, but then the year after that, the seniors all went to Lake Creek, which took about 50 percent of that traffic away. Chief Solomon stated this year they didn't have the traffic problems they had with all the buses lining up and all the traffic there, they took a look at it and they got more help from the school officers back by their campus at the high school and they managed everything upfront from SH 105 and 149. Chief Solomon said the traffic went down considerably once Lake Creek opened and the following year when the seniors attended there. Chief Solomon said they are looking at both the speed limit and red lights on SH 105 because there are some areas where it is a longer period with no red lights, and so they are looking at how close the lights are together as well because they don't want them stacked up on each other. Chief Solomon stated the lights could use some re-timing. Rebecca Huss said better yet, have the lights controllable from City Hall and on camera so you could manage a series of lights if there is an incident to help redirect traffic through the City if we need to re-route or for certain times of the day need to reprogram them. Chief Solomon said the time the traffic became congested was around 3:00 p.m. which was school traffic and he doesn't think there was ever anything done as far as re-routing the buses because he thinks they thought once Lake Creek was open, that would take care of all their issues and it did take care of some of the issues. Chief Solomon said there are always things to look at when discussing traffic and about development taking place. Chief Solomon said with SH 105 being the main street here, they need to always be looking at that and they need feedback. Chief Solomon stated they are putting this on their website so they can get feedback from the public not only about the traffic on SH 105 but traffic and any issues within the entire area so you will be seeing this on Facebook and the website. Randy Burleigh said the key issue with the school is having the bus barn located in the center of our town and they need to come back twice a day and if it grows, we will have more and more buses. Chief Solomon said that was right because this school district with the subdivisions coming up, it

will not stop growing. Chief Solomon stated he requested a meeting with the school right before the pandemic happened because they had gone in to do some active shooter training there and they found out about the reception inside of those buildings. Chief Solomon said if they have a police officer inside the building, they cannot communicate with someone outside and they cannot communicate with the guy down the hall. Chief Solomon said the school should have had those things set up to where they could all communicate. Chief Solomon stated they were setting up a meeting to discuss that issue and to talk about other traffic issues that may be coming up in the future. Chief Solomon said they have not been back to work since the pandemic, but they do still plan on having a meeting.

Randy Burleigh commented on the issue of parking on the sidewalks throughout the City, he knows we have an ordinance on that, and a few years ago they were enforcing it fairly heavily, but he has seen a lot of parking on the sidewalks where a person has to go out into the road and go around the vehicle, especially children walking or on bicycles have to go around and be in harm's way. Chief Solomon asked if he was referring to the subdivisions. Randy Burleigh stated it was throughout the City. Chief Solomon said he will have the Sergeant who takes care of traffic issues handle it. Chief Solomon stated when he looked at the City Ordinance it was vague about sidewalks, but that is something they will be enforcing because out of Transportation Code 545 it's one of the laws in there they should be enforcing anyway. Chief Solomon said a lot of times they get information from people letting them know, so they will put that on the website as one of those issues and if you see that, please call them because it does cause people to leave the sidewalk area and go into the roadway which makes it more dangerous and they will enforce it.

T.J. Wilkerson asked if Chief Solomon had any update on the missing person. Chief Solomon said he spoke with the Investigator who is still checking with the family. Chief Solomon said they are receiving calls of possible sightings and every time they get one of those calls, the detective or one of their patrolmen will check out that location. Chief Solomon said their last sighting was in the City of Houston and they know the missing person has an Aunt and they are trying to find out her address because she just moved and one of the times he left, he went to the Aunt's house and it was weeks before she informed his Mom that he was at her house. Chief Solomon stated they are diligently working on it every day with different leads and they also pulled in Harris County. Chief Solomon said Harris County has a homeless network and what they do is go down and look at the homeless people and they have connected them with

Houston PD as well, so throughout the homeless camps, they have his name there so if he shows up there they will know. Chief Solomon said they have reached out and are reaching out all the time and that is where they are now. Chief Solomon said they will be looking for the Aunt's address and try and make a run to her house because she told his Uncle that he was not there, but just to be sure they are going to make a run out to her residence.

Rebecca Huss asked as a follow-up to the sidewalk issue if Mr. Tramm could put it on the list of things because it doesn't seem like it should be too onerous to make sure that our Code is in line with State Code. Mr. Tramm said definitely, and he will work with Chief Solomon if he needs any help from his end. Rebecca Huss said especially during the summer it seems like safety and keeping kids on sidewalks should be a priority where you have them, obviously, on her side of town there aren't a huge amount of sidewalks, but said she knows Public Works has been clearing and finding sidewalks on SH 105 and probably there aren't a lot of people parked on SH 105, but in other places on the way to like Cedar Brake Park from downtown and other neighborhoods where there are sidewalks, so let's keep the kids on the sidewalks.

D. Court Department Report

Mr. Tramm stated Court restarted June 11, 2020, with pretrials and show cause hearing dockets where masks and social distancing were mandated. Mr. Tramm said those coming in completed COVID-19 questionnaires and all went well with reopening the Court and they look forward to that becoming more regular and normal again with everything opening back up.

E. Utility/Development Report

Mr. Tramm said the unanticipated income line of \$9,900 was a rather large item, \$6,000 of that were escrow fees, \$2,367.81 for franchise fees, which are over \$8,300 the bulk of the money there, and the balance of that was \$45 in vendor and golf cart permits, \$96.54 in right-of-way fees, \$55 for Fernland donations, a \$30 reimbursement to the City, \$30 fee for unlocking a water meter, and \$1,287 for a culvert on Baja Road. Mr. Tramm stated additionally on the flag line, flags are listed as \$5 each with a \$24 total and in addition to \$5 each, if someone buys a set of one American and one Texas flag, those are sold as \$9 so there was one set of the two and then three Texas flags at \$15.

Rebecca Huss asked when we will see the arrears dropping off or at least the 120 days arrears. Mr. Tramm said that will be next month and said he is working with staff on that and is getting ready to put in place, but he was waiting for the audit to be completed.

Rebecca Huss asked how we are doing with arrears generally given the economic situation. Mr. Tramm said we are doing better than he would have anticipated and they had a slightly below-average number for accounts that were disconnected for non-payment. Mr. Tramm stated they have put some people on payment plans and he was not aware of any that have been brought to his attention that are not adhering to the payment plans, so he thinks we are in a better situation than he would have guessed looking at it two months ago. Mayor Countryman asked if that payment plan in the arrears was included so we can assume that some of those 17 are on a payment plan. Mr. Tramm said if she was talking about the arrears when you end the 60-day category then that would be yes, but very little of it if any will be in the longest extended category unless they have been on the payment plan for a significant period of time and certainly none of the COVID-19 ones. Mr. Tramm stated one thing he did want to mention about the payment plans is Hailey learned recently during training on the software how to input the payment plan information to work within the billing program so the amount of the payment plan will input automatically to the billing that goes out so it is no longer a manual calculation. Randy Burleigh said once an account gets put into a payment plan, he believes the account arrears go away because it is a different category like an 800 category, so it will not show up under the regular arrears number. Mr. Tramm stated he believes Randy Burleigh is correct on that as he was rather unclear on how he explained that part of it, but he doesn't believe it shows up anymore as long as they maintain compliance with that payment. Randy Burleigh says he likes that plan, better than the one they had before.

Tom Cronin asked about Memory Park using 105,000 gallons. Mr. Tramm said he knows we have had a good amount of rain recently but we have also had several dry periods and that is reflective of the irrigation out there and as far as he is aware from discussion with Mr. Muckleroy unless there is something that has come up, and he was going to say more recently but we are talking about the month of May. Tom Cronin said April was 12,000 and May was 105,000, which is 93,000 difference. Mr. Tramm stated it is just the weather factor there, while we have had periods of on and off rain, we have had about three solid weeks of almost no rain and some hot weather too. Rebecca Huss said that is not all that unusual given previous years

where we've had months of too much water being used, but previous years in summers where they were doing a good job of managing the water, we had more usage so that is not an unusual number and 120 to 150 would not shock her in July or August, unfortunately, depending on what the rain cycle is. Mr. Tramm said he knows with the rains we have just had it will probably go a little while without having to be watered again, but to maintain that park with all the plants, etc., there with any significant dry period is, unfortunately, going to take a lot of water. Rebecca Huss stated she wanted to remind Council that they have consistently approved expansions to the system in plantings and building out more space to put in plantings and each one of those is a new zone that requires new water, so even year on year comparisons, if you could get the weather to be comparable, the park is getting bigger so the water usage gets higher to support that size, which has been a political decision that results in water usage. Mr. Tramm said Rebecca Huss was right it is a political decision, but it is also what he thinks a lot of the residents of the City appreciate by the way he sees the use of that park. Rebecca Huss said that has been the trade-off in terms of it is a beautiful jewel for the City that lots of people appreciate and it gives them something to be proud of and to show people of Montgomery County and beyond a beautiful part of Montgomery. Randy Burleigh said he thinks Mr. Muckleroy and his crew are doing a good job on the irrigation and did notice in his notes they cut back on the irrigation going to City Hall that was showing 27,000 which is quite a bit for that size of the system there. Randy Burleigh said he thinks they are very good stewards with the irrigation for around town.

F. Water Report

Mr. Michael Williams said he would review the May operations report. Mr. Williams stated on page three are the district alerts where there were some high-level alarms, a non-potable leak at the sewer plant, and lift station 14 had several high-level alarms where they had to go and pull and clean the pumps, and then some no power issues due to some storms. Mr. Williams said for May for the wastewater flow detail, there were 4.597 million gallons and the daily peak was April 29th at 290,000 gallons and the average daily flow is 153,200 gallons. Mr. Williams stated all samples in May on the Effluent Monitor Report and all samples were within compliance and reported a total of 4.75 inches of rain. Mr. Williams said in reference to the Water Report on page six, they sourced a total of 9.146 million gallons, flushed a total of 222,000 gallons, and sold a total of 8.599 million gallons, bringing us to a 96% accountability. Mr. Williams stated page seven is the groundwater production chart, page eight is the water accountability chart and page nine is the water sold versus water treated with a

13-month history. Mr. Williams said there was a total of 53% return to the sewer plant with 4.75 inches of rain this month. Randy Burleigh asked what is that return percent telling you. Mr. Williams stated that return percent is telling you what was sold through the meters compared to what was recorded at the sewer plant for flow. Kevin Lacy thanked him for the information. Rebecca Huss said please do not give us the definition of something Randy Burleigh knows the answer to, give him an interpretation of it. Randy Burleigh stated this confuses everybody. Rebecca Huss said she cannot even look at this without getting her blood pressure up. Randy Burleigh stated the irrigation changes every month and the rainfall changes every month and those are two unknowns every month and that number is useless in his book. Mr. Williams said it is just reporting data that is out there. Rebecca Huss said the whole point of the return number is that you are assuming that it has to be accurate if your flow numbers are accurate, and if your flow numbers are accurate then it means that your usage of the wastewater treatment plant number is accurate and if your flow number is inaccurate then you don't know what your capacity utilization number is which means that the whole trigger of when you should be doing more capex is completely up in the air so there actually is an important reason that we care about it. Rebecca Huss said the fact that it is all over the place there seems to have this mystical relationship with I don't know what, it actually does matter as it's not just a number that is out there that we can look at or not look at it no matter what we want as it should be measuring something important and there is a reason that we care about it. Rebecca Huss said when do we build a new sewage treatment plant, that is supposed to be telling us something because it measures how much waste is in the sewage treatment plant. Mr. Williams said yes, but those numbers change drastically every month, your rainfall and your usage irrigation and there are a bunch of different factors that play into it and stated he knows we have gone year after year where you don't believe the flow number, but we have it calibrated twice a year and during the calibrations, everything comes out correctly and they make minor changes and verify the flow is correct, so he doesn't understand why she doesn't believe the numbers aren't correct. Rebecca Huss said because they are not correlated to anything about pumping, they are not correlated to the amount of I & I, and that is the problem, they just defy logic. Mr. Williams stated you cannot say we have half an inch of rain so therefore we should have 50,000 gallons of infiltration at the plant. Rebecca Huss asked why not. Mr. Williams stated because that just is not real logic because we have different intensities of rain and rain in different areas has more infiltration and multiple factors play into it. Rebecca Huss stated but we aren't Houston where you are getting gigantic differences over a 70 square mile area and this is a three-square-mile area and our wastewater treatment

collection area is much smaller than that so Randy Burleigh has done some of those things to try and figure out how much I & I we should be getting so we have a reasonable grasp on how insane the numbers are. Mr. Williams stated they have a new system they are working on, a very tight system and we just had rainfall and pulled 70,000 gallons of infiltration out of the sewer system and said a sewer system is never going to be watertight and just trying to do a correlation, it just depends on what areas get hit harder as month to month it's different. Rebecca Huss said she gets that but doesn't know what a really tight system is and if Mr. Williams is talking about somewhere from here where it's physically constructed so that water doesn't get in or that you somehow captured it before it went in, so we aren't talking about Montgomery in this example right. Mr. Williams stated no we are not. Randy Burleigh said TORC was doing all the numbers based on water sold doing a material balance around the sewer plant for the last year and a half figuring I&I out every month and also the irrigation total, and the sewer is fairly close of the raw versus the calculated. Rebecca Huss said it is just that when she looks at the numbers linearly going up and down regardless of what is happening to the rainfall total, she gets suspicious. Randy Burleigh said most of the water is pretty set and the schools are shut down and that is a lot less sewer flow from the schools and last month there was less rainfall also. Randy Burleigh said last month for this period there were 618,000 gallons of I&I but all that is calculated, and the irrigation is calculated. Randy Burleigh stated his concern was the return number. Randy Burleigh said the sewer treatment water flow looks pretty accurate if you look at the calculated flow also. Rebecca Huss asked if you are calculating that properly, is that not the return number. Randy Burleigh replied no, the return number is about 88%. Rebecca Huss asked if the return number was not calculated from the flow. Randy Burleigh said yes, it is calculated on what is sold and you subtract the irrigation flow and you subtract the I & I. Randy Burleigh stated on their presentation in early 2019 they showed them how they did the I&I. Rebecca Huss said yes, how he does it, but she was talking about how Gulf Utility does it. Mr. Williams said Randy Burleigh presents a completely different data set, so our numbers are going to be dramatically off. Randy Burleigh asked if he was talking about the percent. Mr. Williams stated yes, they are just taking what the City sends them that was sold and then what they record at the sewer plant. Randy Burleigh said that percent is a percentage of what the sewer plant flow was verses the water sold, minus the I & I.

Kevin Lacy asked what the impact is and why is this a big deal and what are we looking for. Rebecca Huss said there are a couple of different things and one really important one is when do we build the new sewage treatment plant, and in theory, if you are doing something small it doesn't really matter when you do it, but for a huge treatment plant, it will probably cost \$7 to \$12 million, roughly, so you want to put it off as long as possible. Rebecca Huss said the State requires that we do it based on what our usage of our current sewer treatment capacity is and we have to start planning at 75% and building at another percent, which means that it starts getting expensive quickly so if we make a mistake in our numbers, we have to start paying early. Rebecca Huss said we also need to put it online when we have one flush, but obviously, think if you build a new school and you only put one student in it, that is expensive and schools usually build eight trailers in the back and they put new classrooms in and then they build the school and have the school 60% full. Rebecca Huss said you can't do that very easily with a huge treatment plant, so again, knowing for sure what your data is means that you are not building it too early, and when you do build it, you really need it so that your costs are as low as possible.

Mr. Roznovsky said it is based on what the actual flows are at the plant, but what Rebecca Huss' point is that if we can tell how much of the actual flow of the plant is stuff that we don't have to, where can we find ways to reduce that actual flow at the plant to prolong the need for this project. Mr. Roznovsky stated Randy Burleigh calculates the I & I number in his comparison and that kind of gives a better tally of how much extra is being treated at the plant and we know we are not going to get that to zero, but how much do you invest in bringing that number as low as possible versus expanding the plant and it is a trade-off of minimizing the amount of flow per connection to the system and maximizing the amount of time until you have to pay. Rebecca Huss agreed and said two things are going on. Rebecca Huss said Mr. Roznovsky was talking about rainwater which is perfectly clean and should be able to go down into the river just as is as opposed to going through the sewage treatment plant so we have to cut off those access points, but she is also talking about if our own internal calculations or the meters are wrong then we could be doubling our estimates of what is really happening or even 10% too much when you are talking about millions of gallons, so there are two different things we are talking about, both of which are bad or good depending on which way the meter is going. Kevin Lacy said or particularly not enough, so what is your point. Rebecca Huss said that could be bad as well because if you think you have 50% capacity then all the sudden someone knocks the meter then you are at 90% capacity, you should be building right then and you haven't even done any planning, but stated she was not sure what the regulatory response would be to that, but they would be mad. Mr. Roznovsky said the rule is in

three consecutive months of 75% of your capacity, your capacity is 400,000 gallons per day, you have to initiate engineering and financial planning, and then at 93 consecutive months of 90% you have to initiate approvals for construction. Rebecca Huss stated if we have something wrong with our meters and we were all of the sudden at 90% capacity and had not even begun any planning, she is not sure how they would feel about that, and at the very least, that would show that we are entirely incapable of running the City. Mr. Williams stated they have the meters checked twice a year and are very confident they are accurate.

Mayor Countryman asked what would be an alternative and if there is another software or a company that does it a different way to track the results. Mr. Williams said you can always bring a second meter out and have it calibrated to record against each other, but that would just be a waste of money because you could have people verify the accuracy based on the flow that is being put out at that given time compare it to your flow meter, which they have that done twice a year and they verify it every time. Mr. Williams said Randy Burleigh runs his numbers and he's verifying that the flow seems accurate too so within a couple of percentage of error, we're accurately recording what is going into that plant and leaving. Rebecca Huss said last year the guy that did it suggested putting the meter in the shade because the temperature does affect it because they recalibrate it once in the summer and once in the winter. Rebecca Huss said it is hard because the sewage is not like water, which flows nicely and gently. Kevin Lacy asked regarding the bottom line if they do or do not have a concern with the number. Rebecca Huss stated she always has a concern. Rebecca Huss said she thinks the answer is this is the biggest investment the City will make when we build the next sewage treatment plant and so you need to look at it every month and see if it makes sense and when it doesn't, talk about it or talk about it even when it does make sense because this is no joke as it is a lot of money. Rebecca Huss said the water costs like \$5.50 per 1,000 gallons, sewer costs like \$12.50 per 1,000 gallons and that is the magnitude of order and if you use smaller investments, it cost closer to \$18.00 so you should not take your eye off this at all and you just can't trade one up as it's not like buying a car when your old one breaks down. Rebecca Huss said they have portable sewage treatment plants, but they are expensive and not that efficient.

G. Financial Report

Mr. Lasky, Senior Accounting Clerk presented his report to Council. Mr. Lasky reviewed the financials for May and stated for the operating fund on the account balances they have a little over four months of reserves in there currently and the checking account balance is a little bit lower than what it is, but it is still roughly just over four months. Mr. Lasky stated the MEDC balance is a little over two years reserve and the utility fund has 10.5 months reserve. Mr. Lasky stated TexPool is a bit lower at 0.21% and they are still monitoring those rates as of today and hopefully it won't go below the 0.1% as it has been off and on around the 0.21% and 0.22% rate so it has been fluctuating, but he will continue to keep an eye on it. Mr. Lasky said for the budget we did receive in May the sales tax of \$315,000, the bulk of it \$236,250 was for the general fund and the other quarter of it in the MEDC fund. Mr. Lasky stated Mr. Tramm and the other department heads are still working on the budget as far as doing all the amendments, so we are keeping on top of that. Mr. Lasky said as far as the other budgets, he knows there were a few updates on the MEDC side and he's gone ahead and updated those as of current, he thinks there are three new accounts if he remembers correctly and he's gone ahead and updated that as well from page 31 of the report. Mr. Lasky said he went ahead and divided the \$1,000 amounts evenly by 250 starting next month and then the 200 is just a one-time thing.

Mr. Lasky stated he knows there are a couple of quarterly transfers that are coming up and he plans on getting those done at the beginning of next week.

Randy Burleigh asked about the sales tax in the general fund, under taxes and franchise fees, on that amount from October to May, does that include the sales tax that the State didn't show for two months because we had extra funds from prior and how is all that playing out as far as our records because when they got the sales tax report from the state from Mr. Tramm and Ms. Hensley, it had blanks or very little money for those two spots and did they include that extra money that they subtracted so to speak and how do we show that on all these reports. Mr. Lasky stated we collected it back in September last year and we basically put it into a separate holding account until it was to be paid back and so we just distributed it from that to the respected March and April amounts that we would have received. Rebecca Huss asked since it was last year, did we then accrue it for this year because they do those adjustments at the end of the year, did we do that internally, because from a cash basis obviously, we would not have done it. Mayor Countryman said we always showed the balance and just knew that it was the extra \$400,000 that was sitting there and we had no idea when they were going to

take it back so we just kept it. Rebecca Huss said she did not remember if it was from the prior fiscal year. Mayor Countryman stated yes it was and we weren't sure when they were going to come calling for it and so we held onto it and made a little bit of interest on it and when they did come calling, we had it to be able to return to them. Randy Burleigh said he understood all that but his question is, if you look at all these reports it shows two months there is no revenue from the State which they just took it back so it messes all those numbers up as far as data collection and percentage. Rebecca Huss said no because the State data would include Kroger because Kroger still pays the State what they owed us for March which is what this month counts for, it's just that the State took the Kroger money basically and kept it all for themselves, but Kroger still paid it so they still counted it as Kroger payment. Rebecca Huss asked Mr. Lasky if they are counting the accrual from last year in this year's revenues already. Mr. Lasky stated yes because that was done back from November because November would have been for last year, so yes there was an accrual. Rebecca Huss stated she thinks all the sales tax data is fine it is just it was an internal question of what they did with the cash and they gave it to us and took it back. Randy Burleigh said he understood dollar for dollar, it just messed up a lot of the numbers in the SRI report. Rebecca Huss said but all the individual reporters are okay. Randy Burleigh said he didn't know if he agreed with that and said a lot of the pages and the receipts for the year are not included in there and a lot of numbers for those two months have zero for one month and \$2,700 for the next month.

H. Sales Tax Report

Mr. Ryan Fortner presented his report and said the initial packet that everyone received showed a report from SRI for May of 2020 and this morning at 8:00 a.m. they received the confidential report from the State for June. Mr. Fortner said just to recap, June sales tax allocations reflect April sales taxpayer activities and the biggest question in all of our clients' minds is what happened to us in April when we were in the thick of the pandemic and everything was shut down. Mr. Fortner said he spoke with Mr. Tramm this morning and provided him with a copy of the June 2020 sales tax reports because he didn't want everyone to have to wait another month to find out the information that he had currently in front of him. Mr. Fortner said what he thinks would be best to make this easier for everyone is he will be reading from the June report because it does touch on a lot of information for May, but he also has the May report next to him and anything important for that individual month that ties in just for May, he'll report that to everyone for what you are looking at if you have it front of

you, but he'll be going over the June report if that is okay with everyone and if not, he can do both. Council agreed to review from the June report.

Mr. Fortner said each month they track the total taxpayer account the State has allocated to the City. Mr. Fortner said for March, which is the most recent allocation they received from the State, 5,147 active taxpayer accounts are coded to the City and again these are individuals that might have an e-commerce or home business or something in the sky that can come down and register, it does not mean that there are that many taxpayers each month that file. Mr. Fortner said for May of 2020, you will see 1,811 sales tax filers would reflect March when we started the shutdown for COVID-19 and that was down from 2,045 in 2019, so it was an 11.4% decrease and is typical for what they saw for a lot of their clients. Mr. Fortner stated for June however, the City saw 1,867 taxpayers file sales taxes and that is up 4.1% over 2019. Mr. Fortner says they still show November 2019 as being the largest sales tax filers number in the history of the City and they do expect to exceed that number by year's end, however, we probably would have gotten close by now, but back in November and December of last year, they had no idea of what we were going to be facing come April and May of 2020. Mr. Fortner said our sales tax allocations on pages five through June, for our calendar year \$1,066,045.22, for your tax year which begins in March \$537,440.49 and this is a number that will show you what you earned in 2020 so far. Randy Burleigh asked if those numbers do not have the March and April numbers he was talking about earlier. Mr. Fortner said yes, they do. Randy Burleigh asked if there is a number that we can see somewhere that we received from the State. Mr. Fortner said he is going to provide Mr. Tramm with a copy of the confidential report for the two months when you received both zero dollars and then the \$2,724 and what those confidential reports are going to show him is that particular month, that particular business, and then what they filed and at the very bottom of that report because the way that these confidential reports are broken out is they have the highest taxpayer at the top and the lowest taxpayer at the bottom and the ones at the bottom are usually the negatives. Mr. Fortner said it will show the reversal from HEB and then the next month when you had the \$2,724, it will show all the taxpayers that filed and then the remaining balance that was taken from HEB and what was left and that can serve as your official backup that yes taxpayers did provide sales taxes to the City via the State, however, the State withdrew those funds as part of the repayment plan and then that can serve as your backup and he will provide that to Mr. Tramm in the morning.

Mayor Countryman said on this list she expected to see more grocery stores and restaurants and she only sees two restaurants and there are quite a bit of construction companies. Mr. Fortner asked for clarification and if she was looking at the top 25 taxpayers for twelve months combined or the top 25 for June. Mayor Countryman said she was looking at the combined. Mr. Fortner said the combined is a 12-month rolling and stated he wanted to point out one thing to everyone that on the top 25 twelve months combined, you will see #23 HEB, there is still \$22,000 in change that is outstanding that the City is still showing as being received from HEB and that was reflected this morning when we received the confidential reports and we have filed with the state a request for more information on that. Mr. Fortner stated he hasn't spoken to Mr. Tramm anymore about it other than to let him know that it's still there and once they receive an official response from the State, he will let him know that way he can be prepared and everyone can be prepared if the State is going to request those funds back for whatever reason, but that is why you will see in the top 25 twelve months, HEB is listed as #23. Kevin Lacy asked if there is still an outstanding balance of \$22,000 from HEB. Mr. Fortner stated that was correct and when Mr. Tramm gets the confidential report you will see this information which you will see the lump sum that HEB contributed, then you will see the negative the state withdrew, then you will see a \$22,000 balance remaining so we are going to get some clarification as to why that is still there and then provide that information to Mr. Tramm going forward, but that information request was sent around 10:30 this morning and he should have a response by the end of the week. Kevin Lacy asked if we legitimately still owe the \$22,000. Mr. Fortner stated that is why he is asking for clarification from the State as he cannot speak yes or no to that at this moment. Kevin Lacy asked if we do not know from our own numbers if that is accurate or not. Mr. Fortner said he didn't know if it was a reporting error or if it was the State that didn't withdraw the right amounts, but he is just waiting to hear back from them to find out their actual clarification because when a business files sales taxes, the State does some calculations in those sales taxes and they will withdraw their filing fees, they will withdraw a number of things and add certain things and they will run about eight different line items on that dollar amount and so our question to them is what does that \$20,000 represent. Mr. Fortner stated that information is not provided to them but once they receive it they will have more of a clear answer for you all and can move forward on that, until then he is going to defer that to the State until they can provide us with more information.

Mr. Fortner said for June, again that being April, there is a lot more activity from e-commerce and June is a non-quarterly filing month so the Kroger amount is not going to show up on there and Brookshire Brothers are not going to show up because they file their sales taxes every quarter. Mr. Fortner said if you were thinking, and rightfully so, those places were packed why are they not represented, that is because this is not a month they represent on the confidential reports to the State, they would have been represented back in May. Mr. Fortner said in two months we will have their filing and be able to see as that is when they will file their sales taxes. Randy Burleigh asked if cable and phone franchise tax comes in every month. Mr. Fortner said yes that is correct and you will see those represented on your top 25 taxpayer reports where they qualify, again your taxpayers are somewhere in the range of 18,000 lines in excel that is why we choose just the top 25. Mr. Fortner stated going forward for June of 2020 your top 25 taxpayers remitted 62% of your total refund, which is pretty normal for where you are so it is not indicative of a negative shift and also what is interesting for June is 49 taxpayers filed in excess of \$1,000, which is a very healthy month for that business and a very healthy return and that was in April and those 49 businesses were 77% of your allocation, which is about average for where you are month over month so looking at just your top 25, you skated through April pretty well. Mr. Fortner stated if you look at page seven you can see May and June side by side and you will see in May #1 and #2 Kroger and Brookshire Brothers because that is a quarterly filing month. Mr. Fortner stated they provide those so you can see certain businesses that you do not see on your monthly report and that is where you can see your quarterly file is. Randy Burleigh stated he did not understand where some of these show up at such as Hooker Furniture. Mayor Countryman said people are buying furniture and having it delivered and ordering from them directly. Mr. Fortner said Jim's Hardware is also indicative because anyone who drove by a hardware store any time of day during the pandemic, people decided they were going to build that deck they always wanted since they were stuck at home and so places like that saw a big surge in revenue during the shutdown.

Mr. Fortner said they pay very close attention to e-commerce because it is where everything seems to be going now. Mr. Fortner stated our City is much like many special districts and clients that they have and 96% of your sales tax receipts are essentially in the cloud, e-commerce related and show that there were 1,804 filings in June that were e-commerce related and the state provides them those particular accounts and what they remitted and that is not uncommon at all. Mr. Fortner stated they are seeing e-commerce overtake and Amazon Marketplace is usually within the top 10 of almost every client that they have. Rebecca Huss

said she doesn't think that is fair to say at all because you don't have Amazon listed on our top 25 anywhere, not for May, not for June and all you have is the actual numbers because the dominant portion of our revenue comes from our quarterly filers, which is grocery stores and fixed utilities. Mr. Fortner said that is correct and he and Mr. Tramm talked about this with the City being unique, they saw a surge in revenue in Netflix and the question was is this accurate, are the taxpayers utilizing Netflix or Hulu as much as this report defines. Mr. Fortner said they did not see Amazon Marketplace show up for the City, but they have seen Amazon Marketplace show up for their emergency services districts that cover very large territory like ESD 2 and ESD 10 and said he would be willing to bet if he pulled your top 50 or 100 you would see Amazon Marketplace show up in there. Mayor Countryman said she would expect that especially since a lot of the stores are shut down and said all of our retail stores were at least so that's where if anyone wanted to buy anything outside of groceries would go. Rebecca Huss said she finds it hard to believe people are spending more at Chewy than they are at Amazon.

Mr. Fortner said when he gets into the office tomorrow, he will pull the full report and do the search for Amazon and find out where they fall in the list and provide that to Mr. Tramm as well. Kevin Lacy asked if they report the same time as everyone else. Mr. Fortner stated they usually report monthly, but they originally just saw a sales tax permit with an individual location number for Amazon, then they saw Amazon Marketplace show up, and then they saw Amazon Marketplace, LLC show up and so he just needs to check for past your 25 where they might be and he can guarantee you are receiving revenue from Amazon and it just might not have fallen within the top 25 for April. Rebecca Huss said just make sure they are getting all five or six whatever the number of LLC's they are currently operating under that we are getting our allocations for all of them. Mr. Fortner said absolutely, and he will provide Mr. Tramm with three different confidential reports with June being one of them.

Mayor Countryman said the restaurants are open here too and she is not seeing very many restaurants on the list and that would be helpful. Mr. Fortner said not a problem and they will go through that tomorrow morning. Mr. Fortner stated again this information came in and they processed it and brought it right out and kept in mind the top 25 model and they will expand upon that and find out a little bit more tomorrow morning and he and Mr. Tramm will have a conversation about that.

Mr. Fortner stated since January 1, 1995, the City received \$29,338.807 in sales tax revenue and for June it was \$219,615.98.

Mr. Fortner said regarding the top 25 sales tax categories, they like to look and see who is paying what dollar amounts and that does not necessarily change much month over month.

Mr. Fortner noted on page 10 just to compare June of 2020 and June of 2019, and again those being dollars received and spent in the City in April, you are 14% above June of 2019. Mr. Fortner said that was the big question he and Mr. Tramm were talking about was how bad is it going to be and the City was actually ahead of last year when things were normal and it has all been verified by the State. Mr. Fortner said each month currently we have a mean allocation of \$213,000 and that is actually down because if you recall we had that month with a zero-dollar amount and the \$2,000 amount. Randy Burleigh stated this is what he was talking about where those two months messed up the data. Mr. Fortner said if you'll see, our information goes back multiple years and this is going to skew your graph to the negative going forward, but as mentioned, essentially these funds were earmarked and set aside and then when the State came for them, they were handed back and we discussed that back when the erroneous payment was received, but from a graphical standpoint, yes. Mr. Fortner said they can change the graphs to reflect that payment had not been received and reallocate everything accordingly if you are concerned about seeing red, but this is just strictly using data that came into the City and dollars that came into the City, and yes, just looking at the numbers and the graphs and the lines it is going to look ugly for a little while. Randy Burleigh said he was surprised it would not allow you to at least put the numbers maybe in a different color showing that they actually allocated that money and the money is actually what was paid to the City and we just got it at a different time, but it would have made the numbers meaningful. Kevin Lacy asked if it could just be pulled out of the mix as a separate category. Mr. Fortner said what could be done is the September \$599,000 payment could have the HEB dollars put back to reflect the real and honest payment of \$200,000 and then that dollar amount because we had the confidential information, we can find out what the actual sales tax received from March 2020 was, put that amount in zero and then find out what the remaining sales tax was for April, put that in the \$2,724 and that can show you your real-time numbers as if HEB never existed. Kevin Lacy stated he would be all for that. Mr. Fortner said that is not a problem but the only thing he is going to do is wait to do that until he hears from the State regarding the \$20,000 because he needs to know if that needs to be placed in a particular month if we need to hold

that money aside if they are going to be coming for it, but that is not a problem at all. Kevin Lacy said regarding our own accounting, do we not already know if that \$20,000 is legitimately owed or not. Mr. Fortner said not until he hears back from the State and there is nothing that makes him believe that you are owed those funds, but he wants to hear back from the State first before he tells us indefinitely. Mr. Fortner said it is not a problem and that way going forward it will be a little cleaner and if someone were to just pick up this graph and look they wouldn't be panicked and ask why are zero dollars received. Kevin Lacy asked what everyone's thoughts were on that and would they prefer it that way. Randy Burleigh stated he would like it that way and when he looked at the mean and median numbers presented, they jumped out at him quickly, but they are not right. Mr. Fortner said yes that the zero and the \$2,700 completely tank your mean and median and we like to use mean because that is one of the ways they can almost predict just very conservatively what the rest of your year is going to look like, but he would not say that your mean and median are an accurate portrayal of what the rest of the year is going to look like, however, we don't know what is coming month over month anymore. Mr. Fortner said he will go ahead and adjust the graphs and it will only be three months that we will have to adjust and that will clear everything up going forward and there will be a lot less red and we can adjust the mean and median to be more accurate or what should be expected for 2020.

Mr. Fortner said they are going out and working county by county with all of their clients and they are now in Montgomery County and spending a lot of time out there and seeing businesses, going door to door, looking for signs saying we're open, we're not open or going out of business. Mr. Fortner said they have not seen, so far in Montgomery County, a huge amount of big businesses that have closed and are making their way to the City as well, but so far what they have seen is smaller operations and there are a couple of those that are closed but overall, many of their clients have fared in Montgomery County fairly well through this pandemic and it was better than they expected. Mr. Fortner said they will be in the City driving around and looking at the businesses and looking for anything that might be detrimental to your revenue stream and if they find it, they will be reporting it to you all. Kevin Lacy asked as soon as Mr. Fortner hears back from the State regarding the \$20,000 would Mr. Tramm be able to let them know sooner than later what they say about that. Mr. Tramm stated he will relay that information to Council.

I. Engineer's Report

Mr. Roznovsky said they are still working with the State to get the MLK, Baja Road projects closed out and the final payments to everyone made, including reimbursement to the City. Mr. Roznovsky said regarding the work at the corner of Baja and MLK, Mr. Muckleroy is following up with the contractor this morning to see when they are going to start, which should be any day now as they have been authorized for a week and a half to two weeks or so and they had given us a timeline of two weeks so it should be any day.

Mr. Roznovsky said one item he does not have on the report is regarding Atkins Creek. Mr. Roznovsky said they are still working with FEMA on the final documents to get the City reimbursed and that reimbursement amount to the City is going to be in the neighborhood of \$390,000 and Mr. Muckleroy sent him a final review document earlier this afternoon and hopefully will be receiving that reimbursement soon. Rebecca Huss said that is not fund money though and asked if that is money we need to put into a project. Mr. Roznovsky stated it is money the City has already paid out, so you will be reimbursing yourself so it's already spent and that is the 90% share of the total project cost and you have already spent it so you are just reimbursing yourself. Rebecca Huss asked if that would go into the general fund bank account. Mr. Roznovsky said correct.

Mr. Roznovsky stated the downtown waterline replacement is bidding next week so he will have those bids at the July 14th Council meeting. Mr. Roznovsky said they have received the approval from the Texas Water Development Board regarding Water Plant No. 3 Improvements, and it is going to the paper on Thursday so they will have bids at the August 11th Council meeting for that project. Mr. Roznovsky stated as a reminder on both of those projects, they have a handful of alternates in both with tank sizes and pump sizes and things of that nature, so once they get the bids in they can reevaluate and see what is most advantageous to the City.

Mr. Roznovsky informed Council the 18-inch project is on hold as they are waiting on the new lift station for the testing to be done. Mr. Roznovsky stated they had a kick-off meeting earlier last week with BGE for the drainage analysis of Anders Branch and they are ongoing with that project.

Mr. Roznovsky said on page two there are a few photos from last week from the site regarding the lift station replacement, and they are now mostly with electrical and mechanical work and as of today, they are still installing more electrical controls and eventually switching over to a new power service. Mr. Roznovsky said the pay estimate as of May 25th, which is \$159,931, they were about 75% complete by value. Mr. Roznovsky said based on their current schedule they still expect an early August completion, so hopefully having the plant start-up somewhere around the end of July. Rebecca Huss asked if we should be paying them at all given the size of their liquidated damages. Mr. Roznovsky stated the amount that we are holding on each pay estimate is 10% and based on the projections of where they are versus where they are expected to end, there is sufficient balance between what is being held and retainage versus the liquidated damages, so right now it is still in the positive. Rebecca Huss said should not retainages cover things they do not do properly or that needs to be repaired and said she thought retainage was general good practice, not for people who are doubling the term of their completion. Mr. Roznovsky agreed and said he needed to go back and look at the specific contract with it being the Water Development Board, but typically there is that option the owner, i.e. the City can elect to withhold payment due to substantial delays, which is what we're in at this point. Mr. Roznovsky stated they will go back and review that contract and get with Mr. Tramm and Mr. McCorquodale and before the next pay estimate is submitted, have that conversation. Rebecca Huss agreed and said she does not mind paying for things we have, like the actual equipment, but only retaining a standard amount when we know that we have a non-standard situation here does not seem like good practice. Mr. Roznovsky said with just very rough numbers including pay estimate number eight, is about \$825,000 paid to the contractor, which equates to \$82,500 and retainage on that with the remaining 25% so again, let us look at the contract and make sure that is something we can exercise and either hold additional retainage or withhold payment until they get back on track, which they are not going to get back on track. Rebecca Huss said she would like the City to be protected if something that the standard retainage normally covers happened and then suddenly, we do not have enough setback for both instances. Randy Burleigh said he agreed.

Mr. Roznovsky stated the Heritage Parking Expansion has been approved earlier tonight and once those are recorded, we will release plan approval on that. Mr. Roznovsky said they received plans on the townhomes project last Thursday and are currently going through those and they received plans for development for AutoZone last week as well.

Mr. Roznovsky said the parking lot development plat will be released once the same documents are recorded, as previously mentioned, and said two additional ones were signed, approved, and recorded this month. Mr. Roznovsky stated the last one is the Atkins Creek TxDOT study and FM 1097, so as of this morning, TxDOT is relooking at the extents of their projects and asked us to provide an exhibit showing where we would want the limits of the improvements to be, which we said is all the way to where the bulkhead was at one point in time, what was the creek versus what was the lake, so we will see what they come back with.

Mr. Roznovsky stated they had another follow-up meeting with Phillip LeFevre regarding Town Creek Crossing to discuss his development plans. Mr. Roznovsky said a couple of things they discussed where there is a handful of projects in the City CIP that are involved in and around this tract, which is closing a waterline loop so between Plez Morgan, Lonestar Parkway and Buffalo Springs. Mr. Roznovsky said they came up with some alternatives and discussed including that in the scope of their project, so they are working through the feasibility of their design. Mr. Roznovsky said there is a possibility, which they are getting survey shots to confirm, that we might be able to extend a gravity sewer line and eliminate Lift Station 8 and so instead of having Buffalo Springs flowing onto Lift Station 8 and flowing back to Lift Station 2 and then flowing back to Lift Station 1, it would be eliminated and go down to Lift Station 10. Mr. Roznovsky stated it would eliminate a lift station the City has to own and maintain. Mr. Roznovsky said it does put more use on Lift Station 10, but it currently has the capacity and the projected capacity based on what is there today. Mr. Roznovsky said it is not a for sure thing, they first need to make sure all the elevations work.

Mayor Countryman said she has not seen anything regarding the Buffalo Springs Bridge and asked where we are with that. Mr. Roznovsky said when they had it repaired, Mr. Muckleroy had asked the County and the County went and repaired that pothole and so once Mr. Muckleroy received the bill from them, he was going to break that piece out so then we could determine how much to go back to the contractor with based on the cost of that repair. Mayor Countryman asked if we received a response regarding the one-year warranty. Mr. Roznovsky stated no that once the repairs started, he forgot to follow-up, but he would make a note of that and follow back up this week. Rebecca Huss asked if the County's repair was durable or was it a patch repair. Mr. Roznovsky stated it was his understanding they did a full-depth repair, so they dug down and replaced the base and they rebuilt it all back to the top. Mr. Roznovsky said it has been a month or so now, but so far so good.

Randy Burleigh asked about the Water Plant 3 Improvement Project when you receive approval from the Texas Water Development Board, will that also approve the alternates that are being bid. Mr. Roznovsky stated that was correct. Randy Burleigh asked to confirm he would not have to go back to them. Mr. Roznovsky said no, it approved the scope of the work, and that included the alternates with or without the booster pump and the two different sizes of the hydro tanks. Randy Burleigh said he had heartburn on getting a bid for the hydro tank that is probably going to be obsolete or not meeting our minimum criteria for the TAC (Texas Administrative Code) next year, but we'll have a bid on both of them correct. Mr. Roznovsky said correct. Rebecca Huss asked if it is going to hurt the quality or the price of the bids if we go out with the one that we probably don't need and the one that we probably do need as the alternate. Mr. Roznovsky stated he did not believe so because the scope is so similar, it's changing out a tank so the foundation will be slightly different, but he will double-check to make sure before it makes it to the paper on Thursday and they could change that and make the larger one the base and then the alternate the smaller one. Rebecca Huss said it is confusing because, despite some of the more epic disagreements that the previous construction of Council has had, we've consistently over the years agreed upon investing in the City's future and paying more for the capacity upgrade but saved the City money by investing now when you know that growth is coming and buying the capacity and especially like Randy Burleigh said if we know we are going to be spending money now and then needing to spend the same amount again next year when the likelihood is you could get double the capacity for less than double the money this year. Rebecca Huss said she is confused as to why you would recommend this as your main option for us and the cost-effective option as your second option. Mr. Roznovsky stated the reason was their initial plan was that when the tanks that are existing at Water Plant 2, which are the smallest they wear out and instead of replacing those in kind with the same size is that is where the upsizing would go and that was the thought process going in which the upsize tanks were replaced with the older tanks at Water Plant 2 when those needed to be replaced. Rebecca Huss asked if that is the better way to go because it seems from a maintenance standpoint having two tanks instead of three tanks is better. Mr. Roznovsky said you want to add multiple tanks at each site so you can still have one if one is offline for maintenance, you have the other one. Mr. Roznovsky stated from long term maintenance it's recoding and you pay based on the size of the tank, so yes there is an economy of scale that if you have to go in and recode a 5,000-gallon tank it's not dollar per dollar the same as a 10,000-gallon tank, but minor differences in those long term costs between those types of tanks because we aren't talking massive differences. Rebecca Huss said the idea of having to invest in another one to put on there before the previous ones wear out, again, we rely on you to work in our best long term interest and we've

always tried to put the best capacity down as far as we can see into the future so we aren't laying two 4-inch pipes down year after year when we really should have done just one 6-inch pipe and be done with it and we have done that consistently over the last four to six years, so if this is the best decision for us, that needs to be our primary bid. Mr. Roznovsky said he will double-check and see what their thoughts are in what we're referring to our water group, the bids, plans day in and day out, and on the pricing aspect of it and he will discuss it with them and make that change. Randy Burleigh stated he thinks that is a good idea of having the 15,000 as the primary and the 10,000 as the alternate.

Rebecca Huss moved to accept the departmental reports as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (5-0)

4. Consideration and possible action to adopt the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS AMENDING THE ZONING CLASSIFICATION AS DEFINED IN THE CITY CODE OF ORDINANCES CHAPTER 98, "ZONING," FOR AN 8.14-ACRE TRACT OF LAND LOCATED AT THE INTERSECTION OF EMMA'S WAY AND SCENIC HILLS COURT AND DESCRIBED AS HILLS OF TOWN CREEK SECTION FOUR, FROM "B" COMMERCIAL TO "R-1" SINGLE-FAMILY RESIDENTIAL; AND TO AMEND THE OFFICIAL ZONING MAP; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE UPON PASSAGE AND PUBLICATION.

Mr. Tramm stated this is the action item to adopt the Ordinance, this is the request for the Hills of Town Creek Section 4, the 30-lot addition to the existing 100 lots of the Hills of Town Creek sections one and two. Mr. Tramm said this property is currently zoned B-Commercial and the owner has applied to rezone the entire property as R-1 Single Family Residential. Mr. Tramm stated Planning and Zoning and City Council have both held public hearings on this and no public comments were received, and staff and the City Engineer have no objections to this request being granted. Mr. Tramm stated staff recommendation is to adopt the Ordinance.

Rebecca Huss moved to adopt the Ordinance for the proposed Hills of Town Creek Section 4 to be rezoned from B-Commercial to R-1 Single-Family Residential as read by Mayor Countryman. T.J. Wilkerson seconded the motion, the motion carried unanimously. (5-0)

5. Consideration and possible action to adopt an agreement by and between the City of Montgomery, Montgomery EDC and Southern Rum Runners for the October 17, 2020 Craft Beer Festival and authorize street closures.

Mr. Tramm stated the Montgomery Economic Development Corporation and Southern Rum Runners have been working toward a Craft Beer Festival. Mr. Tramm said he read all the terms included in the attached contract, which the City Attorney reviewed prior to the MEDC approval. Mr. Tramm said the MEDC is advancing \$7,800 to Southern Rum Runners to be used to contract security personnel and for crowd control barricades. Mr. Tramm stated Southern Rum Runners will contract and work with the City of Montgomery Police Department for the festival security, crowd control, and patrol needs and the contract does allow for the return of funds to the MEDC based on a formula written within the contract. Mr. Tramm said the formula is intended to raise money and awareness for Montgomery County Meals-on-Wheels and promote and attract new residents, businesses, and economic development to the City and bring people into the area of the City where there are many businesses located. Mr. Tramm said the street closures that will be needed are included in the exhibit in the contract and by recommendation of the City Attorney, the City was made a party to the contract because the City has sole authority to approve the street closures. Mr. Tramm stated MEDC has approved this contract. Mr. Tramm said we are looking for the City to go ahead and approve the contract and being a party to it and for the approval for the street closures that are in the attachment therein. Randy Burleigh stated he was looking at the contract and there is nothing in there and the worst-case scenario is to say the Judge of Montgomery County would shut everything down, there is nothing in there to get a refund on that. Mr. Tramm said that gets into a situation that has some unknown there and for the time being, we are at a point right now where if we are looking at things where they currently are, he believes it would move forward and it is hard to predict in a situation when we are in an unknown going forward and, if the situation starts to change as we get closer, he thinks they would look at that differently as we move along and thinks it's a situation where you have to play it by ear.

Rebecca Huss said the MEDC funds are intended to be for specific purposes that would be unlikely to happen if the event was canceled as long as it was canceled early enough but then also believes that Mr. Rob Holbrook carries event cancellation insurance. Mr. Holbrook said correct on both aspects and the event cancellation insurance is more along the lines of weather and it is really not great insurance unless you get a monsoon, but to the question you have, yes if we go forward and

COVID-19 continues this, that money is specifically for two items of what we intend to use it for and that is security of the festival and stop control fencing at the festival as well. Rebecca Huss said unlike previous events that the City has sponsored, a partnership where the better the festival does the more people come to Montgomery, and the MEDC gets its money back. Rebecca Huss stated she thinks it's a unique thing that they are excited to make the MEDC's festival allocations go further because that is one of the things they hoped to do by trying to encourage new partnerships with different groups and promoters and bring more events to the City to have the funds not just available for the same events, but continue to be about the same and then draw the same number of people and encourage new events here to bring new people to the City and new economic activity to the City.

Tom Cronin asked how many food trucks and vendors are anticipated. Ms. Jennifer Linker said they have 10-12 food trucks and for other vendors, there are about 20 and for brewery's, there are between 20-25. Tom Cronin asked if these are commitments. Ms. Linker stated yes. Tom Cronin asked what percentage they anticipate or the minimum to anticipate providing the Meals-on-Wheels. Mr. Holbrook said it is a dollar amount per each ticket sold to Meals-on-Wheels and the actual amount is in the language of the contract. Ms. Linker stated it did not specify the dollar amount for Meals-on-Wheels, it just specified the percentage to the MEDC for Meals-on-Wheels, and it was \$2.50 per ticket sold. Tom Cronin asked where everyone is supposed to park. Mr. Holbrook said they were working with Mr. Tramm on securing the old Montgomery elementary school front and back of it and keep in mind with festivals like this if we estimate we are going to have 2,500 people there, we are not going to have 2,500 people there at once, it will be throughout the day and we do feel like that area can hold that amount with the field. Tom Cronin asked if people will be bused or walking. Mr. Holbrook said they have been working with Meals-on-Wheels and they have buses they will use to transport back and forth and said he is sure they will have people walking, but they will have buses and also the handicap accessible buses. Tom Cronin asked what the white dots on the map represent. Mayor Countryman asked if there were two entries and exits. Ms. Linker stated yes there are two entries and exits and the white dots are measurement points. Tom Cronin asked if the entrances were by the Community Center. Ms. Linker said yes, one by the Community Center close to Whitley and then another one by the historical building. Mr. Holbrook stated those are ticketing location entry/exits and they will also have breaks for people that have wristbands that can exit into the City and re-enter at that point. Rebecca Huss said this is an event that you have done before at a different location so you have a lot of the details and logistics well at hand and it's just working it out in Montgomery that will be new. Mr. Holbrook

said yes, it's one thing to say we've done this before, we've done this three times and we've done other festivals as well, but this will be the first festival in downtown Montgomery that we've done so we hope to pull it off as smooth as possible and he is sure there will be quite a few things they learn about, where they put things the following year at the next festival, what makes smoother parking as Tom Cronin brought up, and a better way to do parking. Mr. Holbrook said just making it clear and concise for people coming to the festival who are not from Montgomery and this may be their first time out there, making it as simple as possible for them to get around. Rebecca Huss said she is sure the Police Chief will have a lot of thoughts on that as well.

Kevin Lacy moved to approve Southern Rum Runners Craft Beer Festival contract along with MEDC and approve the street closures as outlined in the contract and as shown in Exhibit A. Tom Cronin seconded the motion, the motion carried unanimously. (5-0)

6. Consideration and possible action to cast votes for the appointment for Mayors of Cities and Towns of Montgomery County 9-1-1 Board of Managers Appointment for Completion of Term Ending September 30, 2020, and the Term October 1, 2020 – September 30, 2022.

Mr. Tramm said there are two distinct terms so the final motion would need to cover both of those for either one name or two names and the nominations that were previously recorded from different cities to the 9-1-1 Board of Managers for the completion of the term that had been previously held by Jack Yates and that serves through September 30, 2020, and then the subsequent full term for the same position from October 1, 2020, through September 30, 2022, and behind the main agenda sheet are the nominees that were provided to Montgomery County Emergency Communication District.

Rebecca Huss moved to nominate Mr. Tramm for the open position of 9-1-1 Board of Managers for 1) the completion of the unexpired term ending September 30, 2020, and 2) the full term of serving for the same position from October 1, 2020, through September 30, 2022. Randy Burleigh seconded the motion.

Discussion: Randy Burleigh asked Mr. Tramm if he was okay with that. Mr. Tramm stated he is and has spoken with people to clarify it will not be an erroneous addition to his time and he does think it is a good item for the City to be plugged into.

The motion carried unanimously. (5-0)

7. Discussion regarding unattended donation boxes.

Mr. Tramm said this item staff wanted to bring to City Council for discussion and direction. Mr. Tramm stated they received phone calls from businesses and landowners regarding unattended donation boxes in the City and we've had to do some work with those areas to get them cleaned up at times and to some people, those donation bins seem to become a dumping ground and an eyesore.

Mr. Tramm said as they have looked into it, some cities have permitting and regulations for the unattended donation boxes that include registration, number of units, and removal of trash within a certain time frame. Mr. Tramm said some cities have outright banned them believing they become sites for illegal dumping and they don't want to take on the work of contacting the donation box operators to alert them of trash around those items, and tracking issue resolution as it becomes additional work and responsibility they don't want to take on.

Mr. Tramm stated what they want to do as they have looked at both sides of this is get the direction of Council so we can move in a direction Council would like us to take on and stated he does know in researching the matter that Mr. McCorquodale has looked at both items on this and also because of his research there is someone who is a guest on the line that would like to speak on behalf of the donation items.

Mr. Sam Ebenezer said he has clothing donation recycle bins within the City of Montgomery and they have been there since 2015 with a total of two recycling bins. Mr. Ebenezer said they work with multi-homes as well as businesses to have bins with their permission on-site and they usually work with a lot of cities in getting permits in place that way it holds everybody accountable and they had multiple permits in the City of Humble, the Houston market, the City of Allen and the whole permitting allows the proper operator to be on location as well as addressing the issue to have textiles delivered away from the landfills and you can see the data there that each household generates about two trash bags worth of clothing. Mr. Ebenezer said the closest drop off box donation site would be the Goodwill in Conroe and said he is assuming some smaller churches or organizations do collect them, but their business is available 24-hours that gives access to people. Mr. Ebenezer said he could say just from data, their bins in Montgomery produce a lot more than bins in Spring because it is accessible to people that don't have the access to take their clothes all

the way to Conroe. Mr. Ebenezer said a permitting process is what they would welcome and would be happy to work with the City to get that in place and typically there is an annual fee and operators are supposed to get permission from owners and submit paperwork and clean up around the bins. Mr. Ebenezer said their service to Montgomery is two times a week, with the permitting in place they usually increase that to three times per week that way we know the area stays clean. Mr. Ebenezer said over the last four or five years they have been close to Brookshire Brothers and they used to be called Survivalist Emporium, they allowed them to be there for quite a long time and last year because there was no permitting process from the City, another operator showed up when Survivalist went out of business. Mr. Ebenezer said when there are multiple operators on a site, it creates competition when people dump the trash. Mr. Ebenezer said when there is one operator with a permit the trash issue does not become a big concern and they can show data and you can talk with the City of Humble where they have multiple bins and they have been there with permits for over three years now and are one of the few bins who operate within the City of Humble with permits. Mr. Ebenezer said he would like the City to consider a permitting rather than a complete ban, as a complete ban would be detrimental in trying to divert a lot of this waste that typically ends up in landfills. Mr. Ebenezer stated their company not only sources clothing but they are also buying excess clothing that comes out of national stores like Goodwill and Salvation Army and what they don't sell in the store goes to them into Houston and they make sure everything gets either repurposed or recycled into different products, installation material, and industrial rags.

Mayor Countryman asked what happens if you have the bin that is by Brookshire Brothers and it as of late was a massive eyesore, where does all of that go, the beds that were dumped, the couch that was dumped, do you take that. Mr. Ebenezer said they must pick that up as part of their host agreement in keeping the area around the bin clean. Mayor Countryman asked where the other locations are as you mentioned you have two and one is by Brookshire Brothers, but where is the other location. Mr. Ebenezer said the other is located within the Heritage Apartments which is right behind it and they have one in Walden but is not sure if that is a Montgomery zip code but is assuming it is outside the City limits. Mr. Ebenezer stated he has spoken with Walden's CIA before they had permission to be there and they have been there for almost five, six years. Mayor Countryman asked so if perceivably they did not have one within the City limits, there is a Waldon location. Mr. Ebenezer replied inside Walden yes, on Walden Blvd. Kevin Lacy said that is not too far. Kevin Lacy asked Mr. Tramm what other organizations are here in town that takes recyclables and if he was a citizen in Montgomery and wanted to donate some stuff, do we have a list of where he could go as Goodwill can't be the only donation spot. Mr. Tramm stated we do not

have a master list at City Hall, but if Council desires it might not be a bad idea for us to just have that knowledge here as something we could put out periodically as well. Randy Burleigh said he thinks the library has a paper and one time we had something at the old elementary school which turned into a big problem as we would walk by there and you would see mounds of trash because it is isolated there. Kevin Lacy said personally he would prefer not to have donation boxes like this simply because it can become a dumping ground and he has seen people looting the donation boxes as well. Kevin Lacy stated he would like to get more information on it for himself and he would prefer not to have them in downtown and really would not want to have them here, but he would like to know what all of their options are in regards to taking things to donations and if we could get more information on that before we decide on this it would help him.

Mayor Countryman said she did not believe they were looking for a vote tonight but are trying to get direction and have open communication about it. Tom Cronin asked who from the City would be responsible for monitoring, would it be Public Works, would it be Police. Mayor Countryman said all of those probably and stated she has been doing it quite a bit. Mr. Tramm said we have to develop as a matter of policy that would probably include Public Works, the Police, and Code Enforcement will have to keep their eye on it but we would have to decide internally what our procedure would be to fully move forward with enforcing it. Mr. Ebenezer said the City of Humble code enforcement officer reaches out to him directly if he sees something that is outside the box while he is doing his inspection. Rebecca Huss said what she thinks he is offering is a compromise because if they commit for sure coming by twice a week and if called and there is a permitting process, which she doesn't think is about money but more about accountability where it is a contract between an organization and the City where the organization commits to certain behaviors and if they don't follow up on those behaviors, then they lose their privilege of having their box in the City and if they violate it then they are gone, whereas responsible organizations who don't interfere with the appearance of the City are allowed to continue. Rebecca Huss said she does not have a problem with that and perhaps some locations are less visible that might also be an option. Rebecca Huss stated she would not want to rule it out and thinks the source of the problem is the lack of pick up and not necessarily the box itself. Mayor Countryman said no, the box itself is fine but when it is overflowing is such an eyesore and fortunately we are such a small city that we are exposed so it is not like there are a whole lot of hiding places. Rebecca Huss said she would not want to rule it out and if they commit to coming by two or three times a week and if somebody calls because something is outside the box. Mayor Countryman said the permit requires three times a week and there were two times a week without a permit, yet she knows there was an overflow for

over a week. Rebecca Huss asked if it is their box or someone else and said she thinks you should start from scratch and say none are allowed until you have a permit and the City is cleared until you have a permit. Mayor Countryman said and then you have two side by side and end up with the same previous issue. Mr. Ebenezer said as part of the permitting process most cities only allow one operator per location. Rebecca Huss said maybe it must be like a half-mile distance between them. Mayor Countryman asked if we need two boxes in the City and said she did not even know there was one inside of Heritage, but since there is one at Walden would that just mean that we would need only one. Mr. Ebenezer said the one inside Heritage is typically just for the residents there, it is not accessible to outside folks. Mayor Countryman asked if it would still be in operation. Mr. Ebenezer said the box at Heritage is treated as a regular recycling can and stated he would not mind getting a permit there if they need to.

Kevin Lacy said he needs help in understanding how the process works as far as accepting donations. Mr. Ebenezer said they are not a charity and does not like using the term donation as it's more of recycling because at the end of the day they are just transferring in what they use and make money and treat it as any other commodity and used clothing is a valuable commodity in certain parts of the world and also in industries that use textiles as raw materials inside the USA. Mr. Ebenezer stated they source this and grade the clothing and make sure the product can be reused, and if it can be reused it is sold to someone else who wants to reuse it and if it has rips, tears, or stains, we use that for recycling material. Kevin Lacy said he understands it is a business and not a charity. Tom Cronin asked what component of and how much of the clothing goes into rags that are sold to janitor supplies and things of that nature and is that the biggest item. Mr. Ebenezer stated no, out of 100% usually 15-25% is grade A clothing which have tags on them and can be reused and most of the products that are going to insulation padding are between 35-40%, and the waste is between 5-6% which is typically clothes that have mold, are wet, and not reusable. Kevin Lacy stated his concern is when folks see these boxes like this and donate just like he has donated and took three garbage bags there himself when he moved in last year and walked away with a good feeling that he was helping somebody, and said, to be honest, he feels duped and appreciates it is a business, but he wants to help people that are in need and this is not the kind of thing he is looking for. Mr. Ebenezer said they encourage people to donate first and their boxes are clearly marked and do not state they support a charity, or they are a charity and it is clearly labeled as a clothing recycling box. Kevin Lacy said saying it is a clothing recycle box like we think as a normal person, no so it's a charity, they are recycling it by giving it to people, but normal folks see that and say clothing recycle okay they are recycling by giving it to other people. Mr. Ebenezer said

they do donate a percentage to various charities but not totally. Randy Burleigh asked Mr. Tramm how many we have in the City right now. Randy Burleigh said we have two of them and do we have other donation boxes. Mr. Ebenezer said he has driven through the City and there are three or four operators and being in this industry said he knows half of them are charities, all for-profit companies supporting a charity with the charity name on the box so no one is giving coats away and everyone is recycling them and use it as a front to make people feel good about themselves. Mr. Ebenezer said he can present data on every single bin that is there and they are all run by companies with ties to charities, but they are very transparent and they don't do that and are being truthful in what they do. Mr. Tramm said he does not have an exact count on the number of bins in the City but believes there are somewhere between eight and ten boxes out there. Mr. Ebenezer said that would be correct. Mr. Tramm said until we started looking more closely at it, he did not realize there were that many out there. Randy Burleigh said he did not realize it either. Rebecca Huss said she thinks there are a few that give the whole situation a bad name and some people take it seriously and some people do not and says she is truly indifferent to whether it is allegedly supporting a charity and it truly being a charity or truly being a recycling business, she would prefer that if somebody is giving something away or throwing it away, it does not end up in the landfill, but she also does not want the City to be ugly. Rebecca Huss stated this goes back to common sense clearly does not prevail, so if we have to add regulations to make it possible for this to run more efficiently then she feels like that is what we have to do and again would prefer that we not have people throw more stuff away. Randy Burleigh said he agrees, and it needs to be more organizational and would think the Police Department and Public Works would have a lot of input. Rebecca Huss said it has always been like this in the City, but each worker has a thousand eyes on them at any time and that is the same way it is going to be with these boxes, the workers are pretty observant, but the residents are also going to be calling in the second they see something that doesn't suit their sensibilities so she thinks it will be policed fairly diligently if we do allow it to go forward and Mr. Ebenezer has some experience on ways to make it work more effectively because he knows how human behavior works and how keeping boxes apart makes it look better and makes the operators work better then that is something we should do. Rebecca Huss said having the permitting seems like it makes sense so we know who these things belong to so we have a contact and an ordinance that says if we call you and you don't pick up in three days your box is gone and your permit pulled and you are not going to be here anymore and it gives us consequences for bad operators. Rebecca Huss stated we can have it both ways.

Kevin Lacy asked Mr. Tramm what are we looking to do here right now. Mr. Tramm said we just wanted to make sure we had an understanding of what Council would want on this and what he gets from this discussion is staff will work on a proposed ordinance related to permitting and regulating these boxes that will have to come back to Council for future approval. Mr. Tramm said Council will get a chance to review and have input and ultimately if Council does not want to approve it, you can give us other direction after looking at that, but ultimately City Council will have full authority on the decision. Mr. Tramm stated they will take that in the direction of doing some work and a bit of research on what is out there in terms of successful permitting systems so we don't have to reinvent the wheel and organize that in a way that will work here in Montgomery both with the layout community we have and City Hall and then bring that back in the near future for City Council to consider. Kevin Lacy said it sounds good to him. Rebecca Huss said cleanliness and responsibility for your actions if you are an operator. Kevin Lacy asked Mr. Ebenezer if we had an overflow and it is a Friday night and someone decides to unload their old apartment in the box, and we called, how soon could we have it taken care of. Mr. Ebenezer said they operate seven days a week and have trucks on the road seven days a week.

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. (There are no items at this time.)

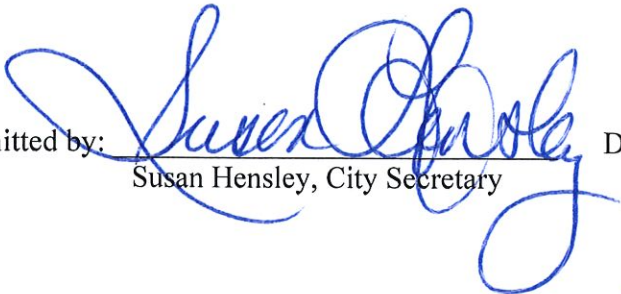
COUNCIL INQUIRY:

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 the recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

There were no comments.

ADJOURNMENT

Rebecca Huss moved to adjourn the meeting at 8:15 p.m. Kevin Lacy seconded the motion, the motion carried unanimously. (5-0)

Submitted by: 
Susan Hensley, City Secretary

Date Approved: 07/14/2020


Mayor Sara Countryman

