

MINUTES
CITY OF TEAGUE
BOARD OF ALDERMEN
REGULAR CALLED MEETING
JULY 16, 2018 6:00 P.M.

1. CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT: *The meeting was called to order at 6:00 P.M. by Mayor James Monks and Quorum was announced with all present Aldermen seated at their respective places.*
2. INVOCATION: *Alderman Ballew*
3. PLEDGE TO THE FLAG: *Alderman Rasbeary*
4. ROLL CALL: *Present: Jerry Ballew, Alderman Place 1, Ron Rasbeary, Alderman Place 2, Marie Hertenberger, Alderman Place 3, Marilyn Michaud, Alderman Place 5 and James Monks, Mayor*
Absent: Chris Nickleberry, Alderman Place 4
5. VISITORS/CITIZENS COMMENTS: At this time, any person with business before the Council not scheduled on the Agenda may speak to the Council for a maximum of three (3) minutes. No formal action can be taken on these items at this meeting.
Jimmy Lawrence expressed his concerns regarding the determination of whether his home and property located at 119 FM 1451 Teague, Texas, is located within the city limits. Mr. Lawrence referenced the annexation that the City completed in 2003, stating he can remember Jeff Looney, the City Administrator at the time, and Charles Ham, Alderman at the time, either telling him "we can't or we won't" annex the referenced property due to this property not receiving nor planning to receive any city services. He also stated that he never received any notification, nor was his property ever on the tax roll until this year when he received a notice from the Tax Appraisal's office that his property is within the city and has been added to the Tax Roll. Mr. Lawrence expressed his wishes to be de-annexed if it is deemed that he truly does reside within the city limits as he does not receive any city services, for he is on a community water system, has his own septic system and pays for his own dumpster and to his knowledge there is no plan for the City to expand and provide services to or past his property.
Mayor Monks stated we cannot take any action on this tonight, but I know there has been some discussion between you and Mrs. Prasil and we will continue on and let you know what we come up with.
Mr. Lawrence asked that if his property is located within the city limits that he be provided information on de-annexation.
Mayor Monks replied let us check into that and we will pass more information on to you.
6. CONSENT AGENDA:
 - a. Approve Minutes from the June 18, 2018 Regular Called Meeting of the Board of Aldermen
 - b. Approve the Accounts Payable and Payroll Check Register for the month of June 2018
 - c. Approve Financial Statement for June 2018
 - d. Accept the Financial Report from the City of Fairfield for the TDCJ Operation and Maintenance Fund for the month of June 2018
 - e. Accept the Quarterly Investment Report for the 2nd Quarter of 2018*Mayor Monks inquired about the location of Item 6 d., the financial report from the City of Fairfield for the TDCJ Fund, as he could not locate it within his Meeting Packet.*
City Administrator Prasil replied that after reviewing the Interlocal Definitive Agreement between the two cities regarding the TDCJ Boyd Unit it was identified that the City of Fairfield should be submitted a monthly financial report which has been added to the Agenda. Mrs. Prasil stated that on June 18th she emailed and certified a letter to the City of Fairfield's Interim City Administrator Jana Taylor and City Secretary Misty Richardson regarding this item. Mrs. Prasil apologized stating that unfortunately they (the City of Fairfield) have not provided this as requested and hopefully with efforts of working with the City Attorney we will have this resolved by next month and can present this report in addition at next months meeting.

*Alderman Hertenberger asked City Administrator Prasil if the City has ever received one that she knows of?
City Administrator Prasil replied that in the nearly five years she has been with the City of Teague, we have not received one, but we are still requesting records and trying to establish when this stopped.*

Motion to approve Consent Agenda Items A, B, C and E was made by Alderman Rasbeary, seconded by Alderman Hertenberger. Motion carried 4-0.

At 6:08 P.M. Open Session convened into Executive Session

7. ADJOURN INTO EXECUTIVE SESSION: The Board of Aldermen will adjourn into executive session to consider the following items:

a. **Personnel Matters:** Conduct an executive session as authorized by Texas Government Code, Section 551.074(a)(1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:

- **Duties - Alderman Place I Jerry Ballew**
- **Duties - Alderman Place II Ron Rasbeary**
- **Duties - Alderman Place III Marie Hertenberger**
- **Duties - Alderman Place IV Chris Nickleberry**
- **Duties - Alderman Place V Marilyn Michaud**

8. OPEN SESSION: *At 6:26 P.M. Executive Session Adjourned into Open Session*

9. RECONVENE INTO REGULAR SESSION AND TAKE ACTION AS NECESSARY ON ITEMS DISCUSSED IN EXECUTIVE SESSION: *No Discussion or Action was taken*

10. OLD BUSINESS:

a. NONE

11. NEW BUSINESS:

a. DISCUSSION AND POSSIBLE ACTION ON APPROVING THE NORTHLINE WATER PROJECT:

City Administrator Prasil stated that we (the City of Teague) have been discussing this project for about one year now and the Board of Aldermen authorized, at a previous meeting for city staff to work with the Engineer, go out for bids for the project and then bring it back to the Board. Mrs. Prasil explained that we have completed these tasks and are bringing it back to you, (the Board of Aldermen) and that provided to you in your packet, is information from the Engineer explaining the cost of the project.

Alderman Hertenberger asked, can we afford it?

City Administrator Prasil replied, we will talk about funding on item 10 C, but please keep in mind we are maxed out on the number of connections for the current 2" line and the required residual level. She also stated that there is a property owner on Northline that has divided a portion of his property up and sold them and currently she is aware of two definite people pending to build. She reminded the Board of Aldermen to keep in mind that the City has already approved the expenses for the engineers for the project thus far.

Alderman Rasbeary asked, how will the line run?

Public Works Director Cowling replied the line will be tied in at Highway 179 and run down the south side of Northline and then cross over to the north side near Parkwood to avoid a current sewer line.

Alderman Ballew inquired the footage of line to be about 3000 feet.

Public Works Director Cowling replied, yes and keep in mind we are using some supplies, pipe, fire hydrants and joints we have on hand that were purchased for a different project.

Alderman Rasbeary asked if the pipes that will be used are the ones stacked up over at Magnolia?

Public Works Director Cowling stated we will not be using the ones on the top or sides that are sun damaged.

Alderman Rasbeary asked how many fire hydrants do we have in stock?

Public Works Director Cowling responded 6.

Alderman Hertenberger asked can the City be held liable if the supplies we provide fail?

Public Works Director Cowling responded, it is a possibility but all the pipes being used are rated and in good shape. He also stated that we can have the pipe tested if we feel the need, but an engineer has told him, the ones we are planning to use are good.

Alderman Rasbeary remarked, so the Engineer has checked the pipes out and that will keep us(The City of Teague) from getting in trouble if something happens.

Public Works Cowling replied he has not officially written that up and most likely, for him to write that up, at least one would have to be tested, costing additional money.

Alderman Rasbeary asked, how much would this cost?

Public Works Director Cowling responded at least a couple of thousand dollars and require the pipe to be shipped off.

Alderman Rasbeary asked if this should be done to keep us(The City of Teague) from being liable in the long run?

Public Works Director Cowling stated, this is something we can look at.

City Administrator Prasil stated, please keep in mind if we do this there is a possibility we will have to rebid this project as it was bid with the City supplying the listed supplies as per the direction from the Board of Aldermen.

Alderman Hertenberger asked if we had a little map?

City Administrator Prasil replied, we have the large plans you can review if you would like.

Alderman Hertenberger asked, where will this line actually be at?

Public Works Director Cowling replied, it will tie in on Highway 179 near the red barn and then run-down Northline to the city limits.

Motion to approve the Northline Water Project was made by Alderman Rasbeary, seconded by Alderman Michaud. Motion carried 4-0.

b. DISCUSSION AND POSSIBLE ACTION ON SELECTING AND APPROVING THE CONTRACTOR FOR THE NORTHLINE WATER PROJECT:

City Administrator Prasil referenced the Engineers recommendation letter, recommending Duplichain Contractors LLC, included in the Board's packet. She also noted that Duplichain was not the lowest bidder, explaining that after the issues we have faced with the FM 80 Project, we expressed our desire to evaluate and hire someone with more experience versus the lowest cost. Mrs. Prasil explained that Duplichain has been in business longer and has more references and experience in the industry to include working with the City on a previous job than that of the lowest bid company Hookin Bull Construction. She made note that Duplichain was the next to lowest bidder being just \$4,000 higher than the lowest bidder.

Alderman Michaud stated Duplichain is the company who fixed the sewer issues between North 8th and 9th Avenues.

City Administrator Prasil responded yes, they came in and fixed the issue within one week, were clean and we were very pleased.

Motion to select Duplichain Contractors LLC as the contractor for the Northline Water Project, with a bid price of \$258,888 was made by Alderman Ballew, seconded by Alderman Rasbeary.

Motion carried 4-0.

c. DISCUSSION AND POSSIBLE ACTION ON APPROVING THE FORM OF FUNDING FOR THE NORTHLINE WATER PROJECT:

City Administrator Prasil introduced D'Anne Carson with Government Capital, the lending company the Board of Aldermen previously authorized the City staff to work with to obtain funding options for the Northline Water Project.

Ms. Carson presented the Board of Aldermen with two possible funding options, a seven year and ten-year option. She also explained that depending on which option is chosen, two additional meetings may be necessary, and funding may be available as soon as October.

City Administrator Prasil stated that the funding dates would be affected depending on when the next meetings would be and that they would have to come back to attend such meetings.

Ms. Carson explained that the requested funding amount presented is for \$260,000, but with the financing charges, the financed amount would either be \$280,000 or \$285,000. The financing fees cover all the documents, Attorney Generals fees and miscellaneous fees.

Alderman Rasbeary asked how much interest will be payed on the seven-year?

Ms. Carson replied, the seven year is a 3.4% interest rate.

Alderman Rasbeary responded no, how much will we be paying?

City Administrator Prasil responded, with finance charges and interest rate on the seven-year note, we will be paying \$319,352.04.

Alderman Rasbeary stated, that is approximately \$45,000.

City Administrator Prasil replied no, that's about \$59,000 and the ten-year option totals \$345,283.80 which is \$85,000 more than the project.

Alderman Ballew asked Ms. Prasil if we use existing funds would that eliminate the \$20,000 issuance cost?

City Administrator Prasil responded yes, actually we visited this option previously under Mayor Pack, where we would obtain the funds from the Fund Reserve and finance it ourselves. She explained that we would setup our own note with an obligation to pay back the reserve a set amount of money each year for a set number of years elevating the interest and issuance fees.

Alderman Ballew stated he calculated that the payment for the \$258,000 with a seven-year repayment schedule would cost approximately \$36,000 per year without the interest and cost.

City Administrator Prasil responded yes, this is a little more feasible right now than the other.

Alderman Hertenberger asked if we need to table this right now and discuss it more and figure out what the Mayor has planned.

Alderman Michaud stated that is what we are doing right now. She also stated, I am in favor of financing it ourselves as it will allow us to avoid the extra fees and interest payments. She also stated, with this way, we will come out ahead.

Mayor Monks stated, one thing to remember is if we finance in house it is an instant project and we do not have to wait the extra time for the financing.

Alderman Rasbeary asked, how much funds do we have, \$3 million?

City Administrator Prasil responded, in the reserve, comfortably stating, \$2 million.

Alderman Rasbeary asked if the FM 80 project is in the Reserve?

City Administrator Prasil replied, no this project has already been funded and budgeted. She also stated that financing the project ourselves we would have to budget an annual payment back to the Reserve. Also making note that this would provide a lower annual note and that we are currently working on next year's budget and everything is tight. She also asked them to keep in mind that the vast majority of the infrastructure is in dire need of repairs and replacement and we may need to finance a costlier project in the future that we would not be able to finance ourselves.

Ms. Carson stated, please know that interest rates are low right now and lower than what they will be next year.

Alderman Rasbeary stated, this is why I am wondering if we need to finance this project because we may need to pay for other projects from the Reserve.

City Administrator Prasil stated, we will not have enough funds in reserve to cover the cost of most of those projects.

Alderman Rasbeary asked, what kind of project are we talking about?

City Administrator Prasil stated, an emergency infrastructure project. She commented over the last week we had two major infrastructure emergencies and with the state of the infrastructure I fear we will begin to see more and more.

Alderman Rasbeary stated, yes I know, but what kind of projects are you talking about.

City Administrator Prasil stated, emergency projects that would cost more than what the City could finance itself.

Alderman Ballew agreed with Mrs. Prasil.

Alderman Hertenberger asked Mrs. Prasil, what would you recommend?

City Administrator Prasil replied, I would recommend the City financing this project and save the other financing option for larger, more costly projects.

Motion to finance the Northline Water Project from the Fund Reserve with a seven-year repayment note was made by Alderman Ballew, seconded by Alderman Rasbeary. Motion carried 4-0.

d. DISCUSSION AND POSSIBLE ACTION ON AUTHORIZING THE CITY ADMINISTRATOR TO ADVERTISE A REQUEST FOR PROPOSALS (RFP) FOR PROFESSIONAL INDEPENDENT AUDITING SERVICES:

City Administrator Prasil explained that, we have been using the current auditors since 2013 and that by common practice we should change auditors at least every three to four years.

Alderman Rasbeary stated, I have been trying to get this done for two years.

Motion to authorize the City Administrator to advertise a Request For Proposals (RFP) for professional independent auditing services was made by Alderman Rasbeary, seconded by Alderman Michaud. Motion carried 4-0.

e. DISCUSSION AND POSSIBLE ACTION ON AMENDING THE COLLECTION CENTER'S POLICY AND PROCEDURES BY ALLOWING NOT FOR PROFIT ORGANIZATIONS A DETERMINED AMOUNT OF ADDITIONAL FREE PASSES:

City Administrator Prasil explained that, the current Collection Center Policy does not permit not for profit organizations such as the Historical Society's Thrift Store to use the Collection Center. Mrs. Prasil reminded the Board of Aldermen that at last month's meeting a representative from the organization requested additional free trips.

Alderman Ballew recused himself from discussion.

Alderman Rasbeary stated, the City is already losing too much money on the Collection Center and he cannot see allowing any non-residential customers using it.

Alderman Hertenberger abstained from the discussion.

Alderman Michaud stated, she does not see how we could allow them to use it.

Due to the lack of quorum being able to discuss this item, no action was taken.

Alderman Nickleberry enters the meeting at 6:58 P.M.

- f. DISCUSSION, CONSIDERATION AND APPROVING RESOLUTION 2018-07-16 AWARDING THE ADMINISTRATION PROCUREMENT FOR APPLICATION PREPARATION AND PROJECT ADMINISTRATION IN CONJUNCTION WITH A 2019-2020 TXCDBG APPLICATION:

City Administrator Prasil explained, the CDBG process to include the current phase of awarding Traylor & Associates as the Grant Administrator.

Alderman Rasbeary asked if this was the same one the city has applied for in the past and has been denied due to the lack of the project benefitting the whole city?

City Administrator Prasil replied yes, but this year Public Works Director Cowling and she chose a new project, wastewater system improvements.

Alderman Rasbeary asked, where will this project be?

Public Works Director Cowling responded, multiple areas throughout the City to include lift stations and main lines. He also commented the average award is \$300,000 and it would be used in the most crucial areas first.

Motion to approve Resolution 2018-07-16 awarding the administration procurement for application preparation and project administration in conjunction with a 2019-2010 TXCDBG application was made by Alderman Rasbeary, seconded by Alderman Hertenberger. Motion carried 5-0.

- g. DISCUSSION AND POSSIBLE ACTION ON AUTHORIZING M & S ENGINEERING TO COMPLETE THE TCEQ REQUIRED SANITATION EASEMENTS FOR THE CITY OF TEAGUE'S FOUR WATER WELLS; AND APPROPRIATING \$8,900 FROM THE PROPOSED POOL ACCOUNT NUMBER 03-1062; AND AMENDING THE 2017-2018 FISCAL YEAR BUDGET EXPENSE LINE ITEM 05-42-5271 SURVEYING FEES:

Public Works Director Cowling explained, that the City has always been required to have Sanitation Easements for the City's Wells and we currently do not have them. He also stated that he is unsure on how the City has not been notified of the violation by the state in the past, but the inspector that was recently here recognized this violation and the City received an official Notice of Violation from TCEQ on this matter. Mr. Cowling also explained that we only have 150 days to obtain the Sanitation Easements and the proposal presented is for the Survey Company to perform the surveys and write up the legal descriptions and once this is completed we will work with the Attorney to have the land owners approve and sign the Easements.

City Administrator Prasil stated, please keep in mind we may have to ask for additional funds as some of the land owners may demand a monetary compensation for the Easements. She also stated that this is a requirement that we must do, and the presented surveying company is the only one we can get out here within the time frame we are allotted from TCEQ. Mrs. Prasil made note that the Chart of Account Number is incorrectly printed on the Agenda and should be 05-43-5271.

Alderman Rasbeary asked if the easements are for alleys?

Public Works Director Cowling replied, no this is for the 150' radius around the water wells.

Alderman Rasbeary stated, so this does not go from water well to water well.

Public Works Director Cowling stated, no this is just for the 150' around the actual water well and the 150' may encroach on private property. He also explained that when the property owner signs the easements, pretty much what they are saying is they will not put in something that will contaminate the well.

Alderman Ballew stated, this is to protect the sanitation of the well.

Motion to authorize M & S Engineering to complete the TCEQ required Sanitation Easements for the City of Teague's four water wells; and appropriating \$8,900 from the Proposed Pool Account Number 03-1062; and amending the 2017-2018 Fiscal Year Budget Expense Line Item 05-43-5271 Surveying Fees in the amount of \$8,900 was made by Alderman Rasbeary, seconded by Alderman Ballew. Motion carried 5-0.

- h. DISCUSSION AND POSSIBLE ACTION ON APPROVING THE PURCHASE OF A NEW SERVICE TRUCK FOR THE PUBLIC WORKS DEPARTMENT; AND APPROPRIATING THE NECESSARY FUNDS FROM THE MISCELLANEOUS REVENUE ACCOUNT NUMBER 03-36-4990, FROM THE MAY 5, 2018 SALE OF THE PIERCE FIRE TRUCK; AND AMENDING THE 2017-2018 FISCAL YEAR BUDGET EXPENSE LINE ITEM 05-42-5945 TRUCK IN THE AMOUNT OF THE PURCHASE OF THE TRUCK:

Alderman Ballew asked, is this a replacement vehicle.

City Administrator Prasil replied, yes, this will replace the Sewer Department's truck that they use to haul the vacuum trailer and the jet machine.

Alderman Ballew asked, what is the year model of the current truck?

Public Works Director Cowling replied, early 2000 and it has over 200,000 miles on it.

Alderman Rasbeary stated, the current truck is not working at this time. He also asked what type of engine will be in the new one?

Public Works Director Cowling stated, gas. He also stated the Ram being presented is a 2018 because they have not closed their 2018 factory.

Mayor Monks stated, this truck will also be used for the lifting capacity.

Alderman Rasbeary stated, this will have a boom on it.

Public Works Director Cowling replied, yes, to assist with the maintenance on the lift stations.

He also explained, this truck will have a service bed and will be used in the Sewer Department.

Alderman Rasbeary asked, how much do we have in that account?

City Administrator Prasil stated, we have \$67,500.

Alderman Rasbeary asked, do we have enough to purchase the Ram?

City Administrator Prasil replied, yes, as long as when he calls in the morning they have not closed their factory for the 2018 models.

Alderman Rasbeary stated, the Ford and Chevrolet are both \$63,000 and the Ram is \$59,000 if we can get a 2018. He also stated, we have enough money to purchase the Ram even if they have closed the 2018 models because it will only be \$63,000.

Motion to approve the purchase of a new Ram Service Truck for the Public Works Department; and appropriating the necessary funds from the Miscellaneous Revenue Account Number 03-36-4990, from the May 5, 2018 sale of the Pierce Fire Truck; and amending the 2017-2018 Fiscal Year Budget Expense Line Item 05-42-5945 Truck in the amount of the purchase of the Ram truck was made by Alderman Rasbeary, seconded by Alderman Hertenberger. Motion carried 5-0.

- i. DISCUSSION AND POSSIBLE ACTION ON APPROVING THE PURCHASE OF A PRE-OWNED 2016 RAM 2500 TRADESMAN SERVICE TRUCK FOR THE PUBLIC WORKS DEPARTMENT FROM DODGE COUNTRY IN THE AMOUNT OF \$23,995; AND APPROPRIATING \$23,995 FROM THE FUND RESERVE; AND AMENDING THE 2017-2018 FISCAL YEAR BUDGET EXPENSE LINE ITEM 05-43-5945 TRUCK IN THE AMOUNT OF \$23,995:

City Administrator Prasil stated, that while looking for vehicles on Friday, we by chance came across this Service Truck and felt that it was a good buy.

Alderman Rasbeary asked, Mrs. Prasil did you get what I asked for?(CarFax)

City Administrator Prasil replied, yes, and it appears it has been in one minor accident where the airbags did not deploy.

Public Works Director Cowling stated, it passed the next state inspection.

Alderman Rasbeary asked if there was any motor damage?

City Administrator Prasil replied, there is no notation of it on the CarFax.

Public Works Director Cowling stated, this truck will be for our Water Department and for those of you who know trucks this is a good deal.

Alderman Rasbeary agreed.

Motion to approve the purchase of a Pre-owned 2016 Ram 2500 Tradesman Service Truck for the Public Works Department from Dodge Country in the amount of \$23,395; and appropriating \$23,395 from the Fund Reserve; and amending the 2017-2018 Fiscal Year Budget Expense Line Item 05-43-5945 Truck in the amount of \$23,395 was made by Alderman Ballew, seconded by Alderman Rasbeary. Motion carried 5-0.

12. PRESENTATION AND DISCUSSION OF DEPARTMENT HEAD REPORTS:

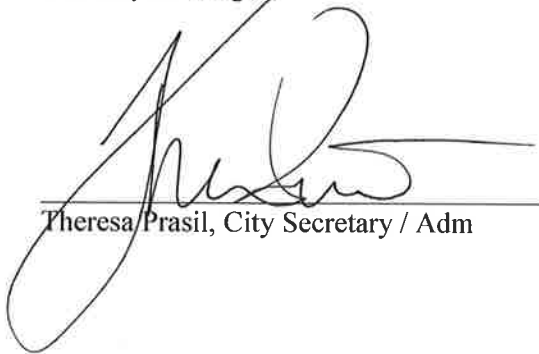
City Administrator Prasil presented the Administrator's report followed by department reports presented by Public Works Director Cowling, Police Chief Philpott and Librarian Willis.

13. ANNOUNCEMENTS: *None*

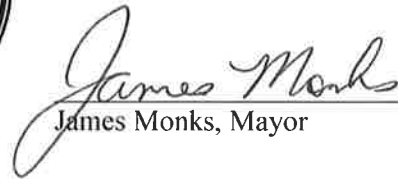
14. ADJOURNMENT: *7:29 P.M. motion to adjourn was made by Alderman Rasbeary, seconded by Alderman Hertenberger. Motion carried 5-0.*

The meeting adjourned.

The City of Teague,



Theresa Prasil, City Secretary / Adm



James Monks, Mayor

