

CITY OF GLADEWATER
CITY COUNCIL REGULAR SESSION
MINUTES
DECEMBER 20, 2007
6:00 P.M.

MEMBERS PRESENT: Mayor John Paul Tallent, Joe Derouen, Jerry Williams, Scott Owens, Richard Parrish, Jr.

MEMBERS ABSENT: Mayor Pro-tem Walter Derrick, Jimmy Williams

STAFF PRESENT: Jay Stokes, Melba Haralson, Richard Ross

GUESTS PRESENT: Jon Frazier, Christian Kaster, Aaron Davis, Paul Kaster, Jimmy Davis, Chris Meeks, Doug Thacker, Alfred Lacy, Charles Mouton, LeRoy Hamilton, Russell DonCarlos, Ed Parton, Hayden Holmes, Mike Sugrue, Don Youngs, John Ringler, Lee Todd, Joe Wise, Garnet McClure, Roger Wieting, Kelley Smith, Jim Ott, James Moore, C.R. Whalen, Darrell McKnight, Brenda Brown, Angela Ward

I. CALL TO ORDER

Mayor Tallent called the meeting to order at 6:00 p.m. City Manager Jay Stokes gave the invocation and the Pledge of Allegiance was led by Boy Scout Troup 618.

II. CONSIDERATION OF CONSENT AGENDA

a) Minutes – November 15 and December 13, 2007

Councilmember Owens moved to approve, seconded by Councilmember Derouen. Carried 5-0.

III. CONSIDERATION of Hampton & Hackberry drainage solutions with Mr. John Ringler, KSA Engineers

Mr. Ringler estimated the cost of drainage repair at Hampton and Hackberry to be \$18,490. He said the water will drain north-east through private lots to the creek and empty west of the culvert. The property owners are all willing to donate easements and it will take approximately 60 days for Veolia employees to do the work. City Manager Stokes pointed out that we will still need professional services to help with the easements, etc. The total cost of the project will be about \$30,000.

Councilmember Jerry Williams moved to proceed with construction plans and begin work in late January or early February, with the cost capped at \$30,000. Motion was seconded by Councilmember Owens. Carried 5-0.

IV. DISCUSSION of Water Plant Phase II improvements

John Ringler, KSA Engineers informed the Council that RUS has agreed to a \$4.9 million loan plus a 25% grant of \$1.6 million. He said they are working on the preliminary design and handed out a proposed schedule with deadlines for submission to RUS. The paperwork must then be submitted to TCEQ for approval, which hopefully will happen by the end of the summer in 2008. Once approved, we could possibly go out for bids in September and award in October.

V. DISCUSSION AND POSSIBLE CONSIDERATION of Resolution supporting application to the Texas Department of Housing and Community Affairs for Federal Multi-Family HOME funds on behalf of the City of Gladewater for the proposed StoneLeaf at Gladewater development

Don Youngs and Mike Sugrue presented the Council with an updated document to show scoring of the project. They explained that the principal issue is obtaining a loan from the City for approximately \$400,000, which is 5% of the development cost, projected at \$8 million. The loan can be offset by multi-family HOME funds and tax credits. Mike Sugrue explained that the City is repaid in intervals; some money is received at closing, more when the project is 50% completed, then the balance at completion.

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Mr. Youngs and Mr. Sugrue answered questions from several Councilmembers regarding the loan, tax credits and potential taxable value to the city and school district. Councilmember Owens said he checked with Stan Dulaney of the Gladewater Housing Authority and was told his current vacancy rate is 3-7%. Mr. Dulaney believed this project would not adversely affect him. Councilmember Jerry Williams stated that he is not comfortable with the process. He said 1% chance of failure is too much and he's not willing to put the city's credit at risk. Councilmember Jerry Williams also said we need to meet with our bond advisor and attorney before we commit \$400,000 of the city's money. Don Youngs and Mike Sugrue said they need to have the city's commitment by February 29th. City Manager Stokes asked them to supply references from other cities or projects.

Councilmember Derouen moved to table until January, seconded by Councilmember Parrish. Carried 5-0.

VI. CONSIDERATION of revised Gladewater Municipal Airport leases

- a) Land Lease for Private Hangar
- b) City-owned Enclosed Hangar Space Agreement
- c) City-owned Open Hangar Space Agreement

Alfred Lacy, 200 Oak, Chairman of the Airport Board, said the board has been working on these leases most of the year. He said the only lease in question is for the private hangars. He explained that on December 4, 2007 they had a meeting, but the city attorney could not be there, so a special meeting was held on December 10th. He said there were five board members present. They worked out details of the lease and four members voted in favor and one abstained. On December 17th a letter was delivered to him asking for an emergency meeting. Since there was not enough time to call a meeting and there wasn't an emergency, he said he did not respond to the letter. Now five members of the board are asking that this item be tabled. Mayor Tallent asked Mr. Lacy what the problem is. Mr. Lacy said a legal vote was taken and now some of them want to change their vote due to language in the new lease stating that hangars are to be used for aviation purposes only. He can only speculate that they are scared of what the city may do about non-aviation items in their hangars.

Joe Wise, Airport Board member expressed concern that this all happened in a big rush. He said the Airport Board has worked very hard all year on these leases and the big issue is the wording "solely and exclusively". Mr. Wise said they have voted it down several times and it came up for a vote again at the special called meeting Monday night. He stated the city attorney had a major rewrite at the special meeting and several of the board members feel it was pushed through. He said they need more time to consider it because he doesn't believe the current rewrite is the true intention of the board and the last minute rush caused the conflict.

Councilmember Jerry Williams asked why the board has a problem with hangars being used exclusively for aviation purposes. He argued that the Council has not rushed them as they have been considering the leases for months. He said we are all working for the same good and said that maybe there needs to be some compromised language, but it should be done in an orderly and democratic manner.

City Manager Stokes explained that the airport revenue is generated primarily by the ground space leases, which comes up once a year in January. The problem centers on the language "primarily" for aviation purposes versus "exclusively" for aviation purposes. He said the last two years people on the board have not gotten along. The current lease has no enforcement "teeth", which presents a big problem.

Councilmember Derouen said we rely on the Airport Board and he doesn't understand how a majority can vote on something then change their minds. Mr. Wise responded that they had voted twice before and it was struck. He said there is no way they can absorb all of the attorney's changes in one meeting.

Councilmember Owens said he looked back when all this started and if we require hangars to be aviation related it needs to be clearly defined. He also said we need to

look at the economic development aspect of it, how we can make it aviation friendly and still bring a return on the money spent by GEDCO.

Councilmember Jerry Williams took exception to Councilmember Owens complaint about GEDCO funds. He emphatically stated that if GEDCO hadn't stepped up and provided funding then the airport would not be improved; the City doesn't have the money and the Airport doesn't have it. GEDCO put up \$200,000 to save a \$2 million dollar grant. He said he hasn't heard anything but complaints from Councilmember Owens and one airport tenant, but the improvements would not have happened if not for GEDCO.

Councilmember Owens said he has an opinion and the people that elected him wants him to express it.

Joe Wise said the lease as it is will not solve City Manager Jay Stokes' problem of enforcement; it will just stir up a hornet's nest.

City Manager Stokes said he hates that the situation has come to this, but he recommended that it be sent back to the board for more discussion. However, a decision needs to be made relatively quickly.

Councilmember Jerry Williams said this needs to be resolved in a mature manner, without personalities involved. Mayor Tallent added that the new lease needs to have enough teeth so we can enforce the rules, which also need to be well defined.

Garnet McClure, Airport Board member, asked the Council to table the lease that is currently written. He said they (Airport Board) can do a better job.

Councilmember Parrish asked how much time the board needs. Mr. McClure believed it could be worked out by the next meeting.

Councilmember Owens moved to table so the Airport Board can bring a recommendation back to the next meeting, seconded by Councilmember Derouen. Carried 5-0.

VII. CONSIDERATION of selling easement across City-owned property to Goldston Oil Corporation

Goldston Oil is not ready and asked that this be tabled. Councilmember Parrish so moved, seconded by Councilmember Owens. Carried 5-0.

VIII. CONSIDERATION of accepting Lake Board recommendation on lease of park property to help establish an RV park

Lake Warden Richard Ross informed the Council that the Lake Board voted not to tie the proceeds of lease to establishing a RV Park, but requested that it be set aside for use at the Lake Park.

Councilmember Derouen moved to start the process of selling the right to lease the park property and the monies be held until advised by the Lake Board on how best to spend it. Motion was seconded by Councilmember Jerry Williams. Carried 5-0.

IX. CONSIDERATION of proposed leasing of ground space near the Allison Street water tower per request of Skynet Country, LLC

Joe Bowen, 141 PR 1996, Union Grove, requested to lease enough ground space to either bring in or construct a portable building to house more equipment. The maximum building size will be 8' x 16'. Mayor Tallent asked what a fair price would be for ground space. Mr. Bowen said he had \$25 per month in mind. Several members of the Council concurred that the building needs to be as hidden as possible and the exterior construction needs to be either metal or hardy board.

Councilmember Jerry Williams moved to approve addition to lease, seconded by Councilmember Derouen. Carried 5-0.

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- X. CONSIDERATION of taking bids for sale of abandoned portion of Perry Street per request of Mr. James Moore

City Manager Jay Stokes said he sees no reason why the City needs to keep the abandoned portion of this street, but it can't be unilaterally sold to Mr. Moore, it must go out for bids. Councilmember Jerry Williams asked how much property is involved. Mr. Moore answered approximately 100 feet. City Manager Stokes said any cost involved will be born by the purchaser.

Councilmember Jerry Williams moved to begin the process of selling unused right-of-way, with the purchaser paying all closing costs. Motion was seconded by Councilmember Derouen. Carried 5-0.

- XI. CONSIDERATION of bids received for sale of City-owned equipment

- a) 1996 New Holland 555E Backhoe
- b) 1995 Ford F150 Pickup Truck
- c) 1980 Chevy Dumptruck
- d) Small 5 hp Asphalt Roller
- e) 1991 Isuzu Pickup Truck

City Manager Stokes explained that there was only one bidder. He recommended that the Council award the bid on the 1995 Ford F150 pickup and the 1991 Isuzu pickup trucks and reject and rebid the other items.

Councilmember Owens moved to accept the bid from Steve Cruz for the 1995 Ford for \$205 and for the 1991 Isuzu for \$208. Motion was seconded by Councilmember Jerry Williams. Carried 5-0.

Councilmember Owens moved to reject bids on the 1996 backhoe, 1980 dump truck and the asphalt roller and to re-bid those items. Motion was seconded by Councilmember Jerry Williams. Carried 5-0.

- XII. CITY MANAGER'S REPORT

- a. Gay Avenue drainage update
- b. Update on DLT Networks, Inc.
- c. Update on grant proposals

City Manager Stokes gave the following report;

- a. This is a standing item, nothing new to report.
- b. We sent two certified letters to DLT Networks, Inc. to notify them of their default status and both came back unclaimed.
- c. The Fire Department received another small grant for equipment. We are waiting for a topography to be done on the Weldon Bumblebee Park grant, which will cost about \$2,000. The pre-construction meeting for the 2006 TCDP grant went very smooth. The project should start on January 8, 2008.

- XIII. CITIZENS COMMENTS

None.

- XIV. ADJOURN

Councilmember Parrish moved to adjourn at 7:40 p.m. Adjourned by consensus.

JOHN PAUL TALLENT, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY