

CITY OF GLADEWATER
CITY COUNCIL REGULAR SESSION
MINUTES
FEBRUARY 20, 2014
6:00 P.M.

MEMBERS PRESENT: Mayor Harold Wells, Mayor Pro-tem Scott Owens, Elijah Anderson, Delbert Burlison, Leon Watson, J.D. Shipp, Lana Niemann

STAFF PRESENT: Sean Pate, Melba Haralson, Robert G. Vine, Paul Jaap, Wayne A. Smith

GUESTS PRESENT: Nick Foster, Franklin Stephens, Jimmy Williams, Mary Williams, Robert Johnson, Todd Clifton, Elaine Roddy, Ken Skipper, Michael Tolbert, Jim Talley, Robert Green, Alfred Lacy, Mark Carpenter, Charles Mouton, Ed Parton, Walter Derrick, Troy Humber, Linda Humber, Memori Ruesing, Steve Edmondson, Mark May, Jeff Moore, Charles Gordon, Sheila Faggans, Karen Jacks, Jim Bardwell, Sarah Thomas

I. CALL TO ORDER – Mayor Wells called the meeting to order at 6:00 p.m.

- a) Invocation – Councilmember Anderson
- b) Pledge of Allegiance – Councilmember Niemann

II. CITIZENS COMMENTS

Robert Green, 315 Pear Road, Chairman of Deacons at St. James Baptist Church, stated they have a problem with the railroad that has gotten progressively worse. Often there is a train blocking the Rodeo Street crossing. He cited a recent occasion where it was blocked for 3-4 hours. He reported it to the police department, who called Union Pacific. Dispatch was told the train couldn't be moved because there was no one on the train. He said this hinders emergency responders' access to the Red Rock community, and recently they had to start their worship service 45 minutes late because a majority of their members could not get across the tracks. Mr. Green said the railroad is breaking the law if they block the tracks for more than 10 minutes and he provided a copy of Transportation Code 471.007. He said it may solve the problem if the city sends an official letter to the railroad to inform them we will start enforcing this law.

III. PRESENTATION to Main Street Board Chairman Lana Niemann

Mayor Wells presented Lana Niemann with a certificate from the Texas Main Street Program that recognized the City of Gladewater as a 2014 Nationally Accredited Main Street Program. Mayor Wells also presented her with a Certificate of Appreciation for her years of service on the Main Street Advisory Board from August 19, 2010 to March 7, 2014.

IV. CONSIDERATION of Consent Agenda

- a) Minutes – January 16, 2014
- b) Blanket Permit for Highway 80 Car Cruise March 29, 2014
- c) Refund of taxes assessed by Gregg County Appraisal District in error for property improvements

Councilmember Watson moved to approve, seconded by Councilmember Burlison. Carried 7-0.

V. CONSIDERATION of financial audit for fiscal year 2013

(NOTE: This item was taken out of order.) C.P.A. Karen Jacks gave a brief overview of the financial audit for fiscal year 2013. She said the city's financial statements were accurate and fairly presented. There were no material weaknesses identified and no incidents of non-compliance. She said they rendered an unmodified opinion, which is the highest rating that can be given.

Mayor Pro-tem Owens expressed appreciation to City Secretary Melba Haralson and staff for another excellent audit report.

Mayor Pro-tem Owens then moved to accept the audit as presented, seconded by Councilmember Watson. Carried 7-0.

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- VI. PRESENTATION of Standard & Poor's rating for City of Gladewater's outstanding general obligation debt

City Secretary Melba Haralson informed the Council that Standard and Poor's has increased the City's credit rating two steps; from "A" to "AA-" based on very strong budget flexibility, adequate budgetary performance, very strong liquidity, strong management practices, adequate debt and contingent liability profile, and strong institutional framework. City Manager Pate added that City Secretary Haralson put in a lot of work in order to achieve this assessment.

- VII. CONSIDERATION of awarding bid for the right to lease, Section E2, Lot 59 of the Lake Gladewater Subdivision

City Manager Pate stated there were three bids received and the high bid came in at \$26,980 from Steven and Theresa Simoni.

Councilmember Burlison move to award to highest bidder, seconded by Councilmember Shipp. Carried 7-0. Councilmember Shipp requested if future lots come available we may want to specify a minimum bid.

- VIII. CONSIDERATION of awarding bid for the TxDOT Aviation Ramp Grant Airport Pavement Rehabilitation project

Frank Stephens, Shaumburg & Polk Engineers, recommended to award the bid to L & L Asphalt Corporation for \$25,000, and to maximize the use of current funding, SPI also recommends the City allow Paul Jaap, Public Works Engineer, the latitude to spend additional funds not to exceed \$13,500 at his discretion to cover any overruns that might occur and to address any additional pavement cracks on the adjacent taxiways.

Paul Jaap stated there were no bids received with the first advertisement. The second time we received 3 bids; 2 base bids and 1 alternate. City Manager Pate added that this is a 50/50 grant. The City's match is \$37,500. He said the runway has substantial cracking and this is necessary to protect the investment the City has made in the airport.

Councilmember Niemann moved to award bid to L & L Asphalt Corporation for \$25,000 plus contingency of \$13,500 as recommended. Motion seconded by Councilmember Anderson. Carried 7-0.

- IX. CONSIDERATION of Ordinance to order the General Election of City Officers on May 10, 2014

Councilmember Watson moved to approve, seconded by Mayor Pro-tem Owens. Carried 7-0.

- X. CONSIDERATION of Ordinance to order a Special Election on May 10, 2014 for the purpose of considering authorization to use the sales and use tax for public infrastructure improvements, streets, traffic control, and parks and park facilities

(NOTE: This item was considered after Item XVI.)

Mayor Wells began by stating rules of order. He said he is very disappointed in how this issue came about and that we have a good City Council and GEDCO board, all of whom do a great job working together. He said this was totally handled in the wrong way and referred to a front page article in the Gladewater Mirror featuring Mayor Pro-tem Owens. He then opened the floor for Council discussion.

Councilmember Watson asked if any City Council members had addressed this with the GEDCO board. Mayor Pro-tem Owens replied he was at their meeting yesterday. GEDCO Director Robert Johnson explained that Mayor Pro-tem Owens contacted him late last week and requested this item be placed on the GEDCO agenda and he did attend the GEDCO meeting last night, however the Council agenda had already been posted. Several Council members stated they did not attend the GEDCO meeting for fear of creating a quorum.

Mayor Pro-tem Owens offered explanation. There are two ways to call an election on this item; either by Council action or by a petition from the citizens. He said this idea has been batted around the community for several years and there is an ongoing debate on whether

GEDCO funds have been well spent or not. The laws have changed and we can do a lot more Type B projects now than we could in the past. GEDCO has been very receptive to that. He said the sense of urgency came about because if the school bond election passes there will be a loss of the ball fields. We need a sports complex and the prime location for that is on property that GEDCO owns. He said we have to act by February 28th in order to get this on the May ballot. He further explained that City Attorney Gary Shaver was not on the clock and he did not charge the City to draw up the ordinance for Council approval. He said this would not do away with GEDCO or hinder their operation, but we do not have money to fix streets, to build parks or do many other projects.

GEDCO Director Robert Johnson introduced GEDCO Attorney Jeff Moore. Mr. Moore explained that GEDCO is a Type A corporation and its purpose is to create or retain primary jobs, primarily manufacturing jobs. He reviewed a copy of the proposed ordinance and said that Type A corporations can already do streets if it is to promote new or expanded business development. He said that neither Type A nor Type B corporations can use funding for residential areas. He explained that a park facility may qualify under the statute if it creates or maintains primary jobs or promotes economic development. However, specific projects need to be listed as separate propositions on the ballot, i.e. park facility, public safety facility.

Councilmember Burlison asked if a bridge caving in on the way to the water plant would qualify. Mr. Brown replied that it would not qualify if it is a residential street. He said the economic development corporation was voted in by the citizens for economic development purposes, not to improve residential areas.

Councilmember Burlison said he believes GEDCO's benefit is an unproven theory. Councilmember Niemann stated they are creating jobs which brings more people into the City, increases sales tax, school and city property taxes, and boosts our local economy. That benefits the City as a whole.

Mayor Pro-tem Owens said the issue on the streets has been clarified, but he believes park projects are allowed under Type B corps. Mr. Moore said he believed this proposed ordinance was patterned after an ordinance for a ball park in Arlington that created jobs. Mayor Pro-tem Owens said it is similar to a couple other cities that have passed it. Once again, Mr. Moore stated it must serve an economic development purpose and specific projects need to be listed as separate propositions on the ballot.

Mayor Wells questioned Mayor Pro-tem Owens and Councilmember Burlison about going to the attorney's office on their own to have this ordinance drawn up. Mayor Pro-tem Owens explained that any council member can have an item placed on the agenda. If it is not passed it cannot be brought back for 6 months. He reiterated that he made sure that the city attorney was not charging, so he did not spend city funds. Mayor Wells said it is bothersome that the city attorney was working for you (Owens and Burlison) personally and not for the City. Mayor Pro-tem Owens said that he and Gary Shaver have been friends for 30 years and he did it as a favor.

Councilmember Shipp said he is bothered by the communication aspect. The success of any endeavor can be traced back to communication. He said the time frame allotted is a narrow window. In two months we will have to educate ourselves on Type A, Type B and modified Type A because we will be asked by voters. He said there is no defined project to qualify needs. We need a workshop to establish cost and sustainability of these projects and later a have a joint meeting with GEDCO to see if those paths cross and we can work together. He said this is simply too rushed. The street work needs to start with the City Council in a budget workshop. If streets need immediate attention then we put money toward that line item, but we need discussion to all be on the same page. There may be county aid available for streets and the same can be said about a sports complex.

Mayor Pro-tem Owens concurred that communication is important and said we have had workshops on this in the past. He said he cannot go talk to everyone on Council because it would be a violation of the Open Meetings Act. Councilmember Shipp quickly interjected that he was in no way encouraging that we violate the Open Meetings Act. He said we need to schedule workshops. City Manager Pate said that GEDCO helped with the hydraulic study, which identified the needs.

Councilmember Niemann said this might warrant town hall meetings. If we want a \$2-5 million sports complex then we would definitely want to take it to the voters. It would

irresponsible of us (elected officials) to place something on the ballot without first having all the facts and a plan developed.

Todd Clifton, GEDCO President, said the first he knew of this was about 1 week ago. He said it was very rushed and GEDCO hasn't had enough time to discuss and study. He said he is not opposed to being 4A modified, but certainly does not understand why Gary Shaver was doing legal work for them for free. He asked Mayor Pro-tem Owens if there is a back story or motive. Mayor Pro-tem Owens replied it was done as a favor because they have been friends for 30 years. Todd Clifton stated we don't know if the bond will pass, but if it does there will be a need for ball fields. He said GEDCO has had a cooperative spirit with the City and has worked hard on projects that we couldn't formerly do. He said he is disturbed by hints that GEDCO hasn't been doing a good job and believes they have done an extremely good job. He said he feels like some do not understand how economic development works. The GEDCO board has not had adequate time to study this situation but they are certainly willing to partner with the City whenever possible.

Councilmember Watson asked Todd Clifton if the proposed new school campus would be where the current ball fields are. Mr. Clifton said yes, that it would eliminate 2 girls and 2 boys fields plus a T-ball field.

Councilmember Burlison questioned the benefit of GEDCO. He said he did a survey of what GEDCO has given away plus salary, travel costs, etc. in the past 6 years. He said they have given over 1 million dollars to various companies coming to Gladewater and in return have only received \$131,000 in property tax dollars from it. He said it is up to the citizens to figure out if that is a good investment or not and said the bank would not go for that. Todd Clifton responded that the bank would not be short sighted in the evaluation and pointed out that he is not considering the jobs that were created and how the money is circulated back into the community.

Councilmember Niemann pointed out that city property taxes are only part of the equation; there are school taxes, sales taxes, money spent in our businesses, etc. Councilmember Burlison rebutted that GEDCO is giving out free money and getting very little in return. Todd Clifton replied it is creating jobs.

Councilmember Niemann explained in order to grow there needs to be a balance between good schools, industry, retail, city and quality of life issues. She said the city sales tax has increased over 15% over the same period last year. There are reasons for that increase; we created it. Councilmember Burlison disagreed and said the school should take care of its own problems.

Mayor Pro-tem Owens said Councilmember Niemann is right; we need a balance between retail, quality of life and jobs. He said we have stiff competition with Longview and Tyler. He said we are supposed to have good passionate discussions and decide what is best for the City, although some decisions are for the citizens to make. He hopes no one on the Council is afraid to step out to bring up an issue even if it is controversial. He believes everybody in the room wants what's best for Gladewater. He said he does not want to have to go up on taxes or cut services for public safety where citizens can't be protected, like police, fire, water and sewer services.

Councilmember Niemann said she does not think anyone is opposed to anything that is in our ability to do that would better the City. We are just starting to identify what the needs are and the City Manager has not said we are in dire need of anything. The auditors said earlier that we are in good shape. We need to be diligent to identify and approach issues first. It is not about GEDCO or GEDCO money, it is about the City and how it is going to take care of itself. Is first priority a sports complex over getting the culvert fixed? She said the Council was elected to discuss and solve these issues. It would be irresponsible to put this on the ballot and be so generalized. If the school bond passes we have time to decide the best method to take. She said the Council needs to give this to the citizens in a much more concise manner, therefore she is against this ordinance.

Mayor Wells called for a motion.

Councilmember Shipp asked if we should establish tonight a time frame to have a workshop on the streets prior to the budget workshop. City Manager Sean Pate stated we will have

approximately \$1.65 m left in certificates of obligation money that he hoped could be used for the E. Lake culvert, however it cannot go beyond water and sewer issues. Mr. Pate said he is not opposed to having a street workshop. Councilmember Anderson agreed that we need a plan for the street project as all over the city some are beyond patching, especially on the south side. Councilmember Watson stated we don't need to micro-manage the City Manager.

Councilmember Burlison said the issue here is if we want to change GEDCO; the streets are a sub-issue. Councilmember Shipp responded that it was cited in the newspaper article that streets were one of the reasons for this ordinance. Councilmember Niemann stated that GEDCO is not the answer to all the City's problems.

Councilmember Watson moved to reject the ordinance, seconded by Councilmember Niemann. Carried 5-2, with Owens and Burlison opposed.

Councilmember Anderson clarified that he was not trying to micro-manage the City Manager.

- XI. CONSIDERATION of establishing a date for a public hearing to inform municipality's residents of the cost and impact of the following project or category of projects to-wit: public infrastructure improvements for public safety facilities, streets, traffic control, parks and park facilities that otherwise qualify as a project for a Type B corporation

Moot - no action taken.

- XII. CONSIDERATION of Ordinance to amend the Gladewater Code of Ordinances, §50.15 – Schedule of Rates, for Allied Waste Services, Inc. rate increase

City Manager Pate explained this is a 1.4% rate increase based on the CPI per the contract and recommended approval.

Councilmember Watson moved to approve, seconded by Councilmember Burlison. Carried 7-0.

- XIII. CONSIDERATION of recommendation of Main Street Board to create a full-time Main Street Manager position

City Manager Pate said he is currently serving as the interim and we are working toward establishing a full-time permanent position. The Main Street board has established a recruitment committee comprised of 1 member from each sub-committee. The recommended salary is \$40,000, which is comparable to other Main Street cities of similar size. He said this is a consideration for future budgets as there is \$22,750 left in the current budget that would carry us through the end of this fiscal year. He said we are looking for sustainability.

Councilmember Burlison asked where the extra money would come from. City Manager Pate said it could possibly be absorbed by the façade grant, 3 or 4 nonrecurring projects or possibly the increase of sales tax. Mayor Pro-tem Owens asked where they would office. Pate responded possibly the Chamber or museum, but fees have not been discussed.

Councilmember Shipp said we have never had someone brought in specifically for the Main Street program. He expressed trust that City Manager Pate would bring in someone good for the job. Mr. Pate stated the Main Street board will be involved in the interview process.

Councilmember Burlison received clarification from Mr. Pate that the base salary is \$40,000, plus benefits.

Councilmember Shipp moved to approve, seconded by Councilmember Watson. Carried 7-0.

- XIV. PRESENTATION of annual Racial Profiling Report by Police Chief Rob Vine

Police Chief Rob Vine stated the Texas Code of Criminal Procedures mandates an annual Racial Profiling Report be submitted to the City Council. He gave a brief overview of the report statistics, which was within 2% of our city demographics.

- XV. CONSIDERATION of budget adjustment to authorize purchase of mowers

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City Manager Pate explained there are a couple mowers that need to be replaced. The money is coming from the sale of scrap metal from the public works yard and old water meters. Public Works Director Paul Jaap said they received \$18,752.05 from the sale of old water meters and \$2,234.05 from scrap metal around the yard.

Councilmember Burlison moved to approve the adjustment, seconded by Mayor Pro-tem Owens. Carried 7-0.

XVI. CONSIDERATION of rescheduling the regular City Council meetings for the months of March and May to March 27 and May 22

City Manager Pate said the Chamber of Commerce Banquet conflicts with the March regular meeting date and the regular May City Council meeting date is too close to the City Election and it doesn't allow enough time for provisional ballots to be counted. Both meetings need to be pushed back one week.

Councilmember Watson moved to approve, seconded by Councilmember Niemann. Carried 7-0.

XVII. CITY MANAGER REPORT

- a) Update on water meter project – 200 meters to be swapped out in the next week or so. The system is working well.
- b) Update on 12 inch water main – The right-of-way agent is approaching individuals. This needs to be discussed with engineer because some citizens are not happy with the approach or letter supplied.
- c) Report on city attorney retirement – City Attorney Gary Shaver has given a 90-day notice of retirement. We are preparing RFP's and will need 30 days to receive, then Council can review and select.
- d) Application for Texas Parks & Wildlife Department Trail Grant – We submitted an application but the funding cycle is once per year and we do not anticipate being funded this year. This would be a low maintenance nature trail that begins at the existing trail between the spillway and emergency spillway. It would have a bridge that ties in behind the water treatment plant on East Lake Drive and goes up to Phillips Springs. There is no commitment for us to fund for 3 years.
- e) The Lake Board is hosting a gar bow-fishing tournament to rid the lake of these predator fish on March 15th.

XVIII. ADJOURN

Councilmember Shipp moved to adjourn at 8:05 p.m., seconded by Councilmember Burlison. Adjourned by consensus.

HAROLD R. WELLS, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY