MINUTES
of the
KEENE CITY COUNCIL

THURSDAY, JANUARY 31, 2019

PRESENT: Mayor Gary Heinrich, James Belz, Lisa Parrish, Robert Cooper, Rob Foster, Cheryl Schram, and Gwen Beeson.

ABSENT: None

CALLED TO ORDER: Called the Regular meeting to order at 6:00 p.m.

Invocation & Pledge of Allegiance – Rob Foster

1. Public Comments.

No public comments.

2. Mayor’s Comments.

No announcements.

3. Workshop:
   • Presentation and discussion with direction to staff regarding:
     o Street Capital Improvement Projects.
     o Preliminary engineer report on extension of sanitary sewer services to Hyline Drive, Gardendale Drive and Oakridge Road.

Brian LaBorde gave a brief introduction of tonight’s agenda and introduced Derek Turner.

Derek Turner with Jacob Martin came forward. Mr. Turner followed his presentation for project scope, methodology, types of improvements, and the capital improvement plan.

Mayor Heinrich asked about the base course and how thick.

Mr. Turner stated 6”-8” depending on the road. Would like to keep the minimum 6” on local streets and 8” on the other streets.
Rob Foster asked when the evaluations were done, what percentage qualified for a seal coat.

Mr. Turner stated a small percentage, maybe 25%. Most of them were overlay.

Mayor Heinrich asked if the City can do 5% a year for $430,000 a year.

Mr. Turner stated yes.

Rob Foster asked if this included outsourcing it.

Mr. Turner stated yes. Mr. Turner continued with his presentations.

Mayor Heinrich asked about overlaying the street and grinding off next to the curb with a grinder.

Mr. Turner stated that some of the curbs would need to be removed to make room for both curb and gutter.

Some options available to the City are interlocal agreements with the county, loans and grants.

Mayor Heinrich asked about the grants and maximum amount.

Mr. Turner stated $500,000 or 20% match.

Brian LaBorde also stated that staff has looked at cost and time to work on this in house. This includes personnel and equipment dedicated to streets only.

Andy Wolfe came forward and explained CAT machines that are certified used and went over the cost for used machines that are not certified. Prices ranged from $115,000 to $193,000. A certified dealer would be able to give a warranty and a history of the equipment.

Brian LaBorde went over the pros and cons for each option.

Robert Cooper asked how the City gets qualified staff for the job.
Brian LaBorde stated that we would recruit staff that are qualified for the job and pay accordingly.

James Belz asked about rental equipment.

Brian LaBorde stated that staff can investigate the cost for a lease.

Andy Wolfe added that by leasing, the warranty and maintenance would be covered under the lease agreement.

Mayor Heinrich asked what it would cost if we did this in house.

Brian LaBorde stated $4.5 million. This is a long-term amount.

Cheryl Schram asked if the material and storage of the material is covered in the cost.

Andy Wolfe stated yes.

Mayor Heinrich asked about Oliver Technologies and the large 18 wheelers that travel Fairview. That needs to be considered.

Brian LaBorde stated that they would work with businesses that use large trucks for hauling to either find better routes or build the roads to withstand the use.

Derek Turner stated that would be taken into consideration when repairs and construction are done. Mr. Turner continued to explain the 20-year plan for the roads and the amounts per year.

Mayor Heinrich asked if Stoner Way is taken care of by the state.

Brian LaBorde clarified that it was the frontage road and believes that it is maintained by the state. Mr. LaBorde asked council for guidance on the road improvements based on the information received tonight.

Mayor Heinrich asked what Shady Oak had cost the City.

Derek Turner stated that Shady Oak is concrete. Paving was $550k and the utilities were $140k.
Brian LaBorde asked what it would have cost if Shady Oak were asphalt.

Derek Turner stated it would have been a couple of hundred less.

James Belz asked why Shady Oak was done concrete versus asphalt.

Derek Turner stated that concrete will last longer with 30 years plus life. Asphalt is usually 10-15 years.

Brian LaBorde explained the way grants work. Grants are generally cycled every two years and cities must compete for them. Grants are not a consistent revenue stream. Mr. Laborde continued with street maintenance tax which would have to go to the voters. The state gives the cities two pennies first come first served. Keene is maxed out. We have voted for a penny for the general fund and the other penny is split between Type A and Type B. Any change that Council would like to make, it would have to go to the voters.

Mayor Heinrich asked if the City can use Type A and Type B funds for street maintenance.

Brian LaBorde stated that the taxes can be allocated for street maintenance.

James Belz asked how it can be changed.

Brian LaBorde stated that it would need to go to the citizens for a vote. It would have to be on a uniform election date either in May or November and would have to be done every five years.

James Belz asked how much these boards brings in.

Brian LaBorde stated around $200k each.

James Belz asked how Type B can be changed if they are already responsible for the community center.

Brian LaBorde stated if there is any debt, the City would have to take over responsibility.

Gwen Beeson asked about Type A’s debt for the park. (Industrial Park)
Brian LaBorde stated that the same would apply.

Mayor Heinrich stated that Type A is for economic development and Type B is for quality of life. Street maintenance is under quality of life.

Cheryl Estes came forward to discuss Type A and Type B debt. Type B has the Wallen Ridge debt which is $110k. Type A has two loans worth $600k.

Mayor Heinrich stated that the Wallen Ridge property is under contract with Palladium so that debt may go away.

Rob Foster asked about the payment for the community center.

Cheryl Schram stated $5,555.00 a month.

James Belz asked what is in their budget right now. There have been some expenditures that have been brought forward to Council. This is money that can be used for street maintenance.

Brian LaBorde stated that Council appoints members and approves A and B budget. However, Type A and Type B Boards act independently from the City. Any project must come before Council for action.

Cheryl Schram stated that this is the first time this proposal has ever come to Council as an option.

Brian LaBorde asked Council if the street priority order was a good place to start.

Mayor Heinrich clarified that if this went to a vote, the money if approved by the citizens would need to be phased in with each project since the vote has to be brought up every five years.

Brian LaBorde stated yes.

Mayor Heinrich asked what happens if the voters say no.
Brian LaBorde stated that if debt was pledged, it would still have to be paid out if it was incumbered. Based on all the information given, what path would you like staff to take.

Council agreed that Fairview needs to be a priority.

Mayor Heinrich brought up the orientation book regarding Type A and Type B Board information. Based on the information, it sounds like a citizen vote may not be required.

Brian LaBorde agreed based on further review.

Mayor Heinrich stated that it sounds like Council will need to talk to the boards and see what can be done.

James Belz stated that the complaint he hears about the most is about why and how City Hall was built without a vote. This needs to be approved by the people.

Rob Foster agrees that this should be taken to the voters whether required or not.

James Belz complemented Brian LaBorde and staff on all the information and options given to fix this long-term problem. This is a lot of information to digest. Mr. Belz continued that truck routes need to be set for the City. The ordinance needs to be enforced.

Brian LaBorde stated that staff has been trying to be flexible with some of the businesses. Council has the right to issue a permit to businesses to allow their trucks to travel those roads. In the agreement with the permit, money is set aside by that business to make repairs on the roads they damage.

Rob Foster asked about a roadway fee for the trucks.

Brian LaBorde stated that it wouldn’t be enough.

Mayor Heinrich stated that it wouldn’t be good business relations either.

Brian LaBorde stated that he would have Cheryl Estes and a financial advisor put some numbers together for Council and will bring it back.
Mayor Heinrich polled Council regarding priority of the streets.

Council stated Fairview, College, First Street, Eastern, Fourth Street, Hillcrest,

Derek Turner added that would include curb and gutter.

Cheryl Schram suggested that traffic counts need to be done.

Derek Turner agreed.

Robert Cooper stated that he didn’t believe all of Fairview needed curb and gutter due to the trees.

Mayor Heinrich stated that if Council and staff take this to the voters, it’s too late for the May election, so it would have to be the November election, after budget approval. Mayor Heinrich believes that we should proceed in the budget to start on Fairview without a vote.

Brian LaBorde stated that Fairview cost is $1.4 million. Staff can prepare to take the remaining streets to the voters in November. A portion of that amount is for utilities.

Mayor Heinrich asked about water lines on Fairview.

Derek Turner stated 30% to 35% have utilities.

Mayor Heinrich stated that the sewer lines would need to be upgraded too. Also, asked about drainage.

Derek Turner stated that he would put a trough along the street whichever the drainage is running. Usually by making sure the street in crowned properly and placing troughs along the intersections.

Brian LaBorde stated that the next obstacle is whether to contract it out or in-house staff.

Rob Foster asked Public Works their thoughts on this.
Andy Wolfe stated that currently, Public Works does not have the necessary staff for this job. We would need to hire experienced people for this type of work and they would need to be paid better than what the regular crew makes.

Lisa Parrish stated that in the long run, it would be cheaper to contract it out. A contractor will have the proper crew and equipment for the job and will handle any maintenance of the equipment and replacement of crew if necessary.

James Belz asked about the number of bids for Shady Oak.

Derek Turner stated two bids. Shady Oak is a small job to most contractors. Fairview will draw in more contractors due to the size of Fairview.

James Belz asked since Fairview is a larger job, how much difference in bids do you think we will get.

Derek Turner stated less than 5%.

Lisa Parrish mentioned that she would like for staff to move forward on grants to see what the City can get.

Cheryl Schram stated that the deadline for this year is March.

Brian LaBorde stated that they can start the paperwork and see if the City is eligible for any grant money.

Rob Foster asked how much a grant would be worth.

Brian LaBorde stated $500k. Mr. LaBorde continued to state that he would bring back all the information requested and put together multiple plans of action for street maintenance.

Brian LaBorde updated Council on the preliminary engineering report on extension of sanitary sewer services to Hyline Drive, Gardendale Drive and Oakridge Road.

Derek Turner stated that he went out and did a preliminary grade and topography of the area. The area can be serviced with gravity mains versus a lift station. The area to the west is currently serviced with sewer and the lines run south along CC Cook Parkway, cut south to Old Betsy and across the creek to
the current lift station. Proposed lines would be on Old Betsy with an 8-inch
gavity line and cross CC Cook Parkway and tie into the same line to the existing
lift station. An evaluation of the existing lift station is included in your report.
The $775,000 amount includes improvements to public right-of-way, service
lines from the main lines to the property lines and upgrades to the existing lift
station. The funding options are like those presented in the street maintenance
presentation. Some different options are the Texas Water Development Board
with potential loan forgiveness grants with low interest loans. Water
Development Board also has the Rural Water Assistance Fund, which is a low
interest loan and the D fund which the interest is just below the market. The
presented cost does not include private service line on property but does
include installing service line stubout to property or easement line. It would be
the homeowner’s responsibility to install service line to stubout. Estimated
price range would be $2,000 to $5,000.

Mayor Heinrich asked about sewer line placement to Hyline Drive, is that
proposed in the highway right-of-way or is it proposed to get easements from
property owners.

Derek Turner stated the City can do either, but the suggestion would be to try
and get easements.

Mayor Heinrich stated that historically, when the highway is widened, lines that
are in the ground must be moved at the City’s expense. It looks like a 15-ft.
easement would be needed along with a 30-ft. construction easement.

Derek Turner stated 20-ft. to 30-ft. construction easement would be needed.

Brian LaBorde updated Council on staff’s efforts to contact homeowners. There
hasn’t been a large response for the work, but the homeowners would like a
workshop to discuss it.

Robert Cooper suggested that the homeowners should have a free hook up to
city water.

Mayor Heinrich agreed.

James Belz asked why this came up in the first place and what do we expect to
gain from this. Fifty percent of the residents that are affected by this don’t care
or don’t want it.
Robert Cooper stated that the City annexed this property in fifteen years ago and we had five years to provide these services. The City owes it to those residents.

James Belz asked how much tax the City has brought in from this area.

Brian LaBorde stated that the tax value is included in the report.

James Belz disagrees that this service is needed, especially since half the residents effected don’t want it.

Brian LaBorde stated that a workshop is needed not just for the citizens but for Council too.

Rob Foster asked what the term of a low interest loan would be.

Derek Turner stated that it varies based on the agency. It can be 20-40 years.

Rob Foster asked what the probabilities are of getting a grant.

Derek Turner stated that the City has a twenty percent chance.

Rob Foster asked how this would affect the City’s budget.

Cheryl Estes stated that her opinion is to try and get the grant.

Cheryl Schram stated that the ear marked funds are out of the water and sewer fund. Over the years, citizens have asked why this hasn’t been done yet. Ultimately it should be decided by the citizens that it impacts. Also, what are the long-term ramifications of this? Are there any additional advantages to the City?

Rob Foster stated that $775,000 divided by 20 years is $30,000 to $40,000 a year.

Mayor Heinrich stated that it can be taken from the fund balance and just pay for it.
Gwen Beeson stated that at a workshop it can be pressed onto the citizens that do want it to talk to their neighbors to get more on board.

Robert Cooper stated that later, those citizens will want it. At some point their systems will go out and this will be a need.

Lisa Parrish stated that the only two residents on Hyline that she talked to didn’t want it. On a financial stand point, the City doesn’t have enough money to do this. The money needs to stay in the fund in case of an emergency break down that does need to be fixed. A workshop is needed.

Brian LaBorde stated that he would keep Council up to date on this project and future workshop. If Council chooses to move forward with this project that would include how to fund it.

James Belz stated that he would like to know how it will be funded before moving forward with the project.

Brian LaBorde stated that he could start the grant process now and look at low interests’ loans that are available to bring to Council.

Mayor Heinrich stated regardless of the outcome, the lift station still needs to be upgraded.

Brian LaBorde agreed.

Cheryl Schram asked if we should start workshops on impact fees.

Brian LaBorde stated not yet.

Rob Foster asked how much the lift station upgrade is.

Derek Turner stated $75,000.

Mayor Heinrich asked if a stationary generator is necessary versus a generator on the truck that can be plugged in.

Andy Wolfe stated that if there is a blackout at more than one lift station then there would be a problem. TCEQ requires a backup generator on site. Currently
the lift stations are not pigtailed to take on an onsite generator. That is on next years budget.

Mayor Heinrich asked if Andy Wolfe plans to put a generator at all the lift stations.

Andy Wolfe stated no, not on the smaller ones.

Mayor Heinrich stated that a portable generator would be good for the smaller ones.

Council would prefer that staff goes after the CDBG grant for Hyline.

4. Discussion and requests for future items on the agenda.

Lisa Parrish asked if the agenda line items be more specific with more details.

Gwen Beeson stated that the agenda is an outline of what is being discussed and acted on.

Cheryl Schram added that if the agenda is too specific, it limits Council to the discussion.

Brian LaBorde stated that he would discuss with the City Attorney about being more specific on the agenda.

5. Adjournment.

There was no further business. Council adjourned at 9:01 pm.

By: [Signature]
Gary Heinrich, Mayor

Attest: [Signature]
Holly Owens, T.R.M.C., City Secretary