MINUTES
of the
KEENE CITY COUNCIL

THURSDAY, MAY 9, 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.

Tammy Cortez, 105 Hyline Drive came forward to talk about Animal Control and her missing dog.

Christina Austin came forward and stated that the current ordinance does not allow for the pick up of dogs that are not aggressive. The shelter is not open because I am not able to run the shelter and do code enforcement.

Mayor Heinrich stated that we need to look at the current ordinance.

2. Mayor’s Comments.

Mayor Heinrich presented the Keene Police Department with a Proclamation for National Police Week Proclamation.

3. Consideration and possible action regarding the minutes dated March 28, 2019 and April 11, 2019.

Robert Cooper made a motion to approve the minutes dated March 28, 2019.

Lisa Parrish requested a change on page 10, “I wouldn’t work at a job”.

Robert Cooper amended his motion to include the above correction. Seconded by Rob Foster. The motion carried unanimously, 6-0-0.

Robert Cooper made a motion to approve the minutes dated April 11, 2019. Seconded by Gwen Beeson. The motion carried unanimously, 6-0-0.

4. Presentation and discussion with direction to staff regarding a sanitary sewer capital improvements program.

Eddie Aguilera with Jacob and Martin gave a presentation. The current sewer system consists of a collection system about 40 miles of 6” thru 18” sewer lines, 4 lift stations, manholes and cleanouts with one wastewater treatment plant with permitted
discharge flow of 0.83 million gallons per day. The flow chart shows that domestic wastewater comes from the resident's home and commercial businesses. It is gravity fed into city sewer lines and then into city lift station which pumps the wastewater to the wastewater plant and then is discharged into the creek. Essentially, all the flow is centralized to the northwest part of town and gravity fed to the wastewater plant on the east side of the city limits. The CCN, certificate of convenience and necessity gives a retail public utility the exclusive right to provide retail water and sewer services to an identified geographical area. Corporate limits and ETJ's are not required to have a CCN. The project scope is to evaluate the City's sewer collection and treatment system. Recommend alternatives to improve collection and treatment. Recommend alternatives to reduce inflow/infiltration and maintenance costs. Create a 20-year plan for recommended improvements. Provide alternatives for implementation. The methodology is to review current sewer systems and prepare future projections. Identify problem areas in collection system. Prepare cost estimates for each improvement. Prioritize improvements based on location, impact and cost. Develop capital improvement plan based on priority and cost. The types of improvement are line replacement, line upsizing, line extensions, manhole replacement/re-grouting and WWTP expansion if needed. The capital improvement plan goals are to insure adequate sewer service to all areas, reduce I/I (inflow/infiltration) into collection system, reduce maintenance expense and blockages and coordination with street CIP to reduce unnecessary costs. The existing population and flow data are currently based on the current population of 6,266. In 2014-2018 average treated flow from WWTP was 355,000 gpd with 43% of WWTP capacity.

Mayor Heinrich asked about how much inflow infiltration is a part of the 355,000 gallons.

Eddie Aguilera stated none.

Treated flow in gallons per capita per day equals 57.6. The proposed population and flow projections shows 2040 projected population at 9,639 with projected WWTP effluent flow at 555,000 gpd equaling 67% of WWTP capacity. Current permitted effluent flow is 830,000 gpd. TCEQ requires planning/design to begin for WWTP expansion when flow capacity exceeds 75% for 3 consecutive months. TCEQ requires construction to begin for WWTP expansion when flow capacity exceeds 90% for 3 consecutive months. WWTP capacity is adequate through planning period.

Mayor Heinrich asked if the current plant is capable of more than .83 million gallons.

Eddie Aguilera stated yes.

Mayor Heinrich asked what our plant is designed to do.

Eddie Aguilera stated that it is designed to handle up to two hours at peak flow. The current plant is adequate. A table was presented with priority years and estimated costs with a source of funds. This was followed with inventory of streets and overall costs. Total 20-year outlay is $20,283,000. The options for mitigating are grant funds or developer or capital fund participation. Funding options are low interest loans or possible loan forgiveness from TWDB & USDA. Issue debt as Certificates of Obligation or General Obligation Bond, CDBG grant or pay as you go. The annual
maintenance costs are repair/replace pumps and motors at lift stations and WWTP, replace chemical feed equipment at WWTP, replace sand filter media at WWTP and re-grout/reline existing manholes to reduce I/I.

5. Discussion and possible action regarding entering into an agreement with Jacobs and Martin engineering services with the design on a portion of CR 316 in accordance with the Texas Capital Fund Grant, Contract #7217092.

Mayor Heinrich reminded the citizens that the City is not paying for any of the improvements. Louis Vuitton along with the grant is paying for all improvements and grant application fees.

Robert Cooper made a motion to approve the agreement. Seconded by Rob Foster. The motion carried unanimously, 6-0-0.

6. Presentation and discussion with direction to staff regarding and update on CR 317 street maintenance.

Mayor Heinrich stated that he and Gwen Beeson met with Commissioner Wooley regarding CR 317. The County would like to help Keene with a chip seal and plan to work up an agreement with a quote.

Gwen Beeson stated that they also plan to help with the edges too, not just the pot holes.

Mayor Heinrich stated that GTI will be redoing the road past CR 317 near Buel Baptist Church.

No Action.

7. Presentation and discussion with direction to staff regarding City audit, finances, debt, and related matters.

Cheryl Estes gave a presentation on Reading Financial Statements 101. Fund accounting is every transaction that hits the income statement as a revenue or an expenditure. This is used by government entities, not-for-profits and higher educations. Everyone else uses full accrual accounting where revenue is recognized when earned, and expenditures are recognized when used. Cash basis is just like a checkbook which is accounts for the present only. Modified cash basis is somewhere in between with a little bit of both. Accrual basis is for accounts for past, present, and future transactions. All budgets are cash basis. Monthly reports are modified cash. Annual financial statements are modified cash basis and full accrual basis. There are two different types of financial statements; Governmental funds and Proprietary funds. Proprietary funds are water/sewer/sanitation funds and are full accrual basis of accounting with business-type activities. Governmental funds are everything else and is modified cash basis of accounting with governmental activities. Cheryl Estes went over the Financial statement starting with page 51. This is the budgetary comparison schedule. You will only see the general fund because the only fund that is legally required to be audited is the general fund. On page 47 is the required supplementary information. This is the schedule of changes in net
pension liability and related ratios. On page 23 through page 43 are the notes to the financial statements. It also gives the details to some of the numbers within the audit. On page 19, this is the statement of net position for proprietary fund. Page 20 is a statement of revenues, expenses and changes in net position for proprietary fund. On page 15 and page 17 is what Council is accustomed to seeing. Page 15 is the balance sheet for governmental funds and page 17 is the reconciliation sheet. Pages 13 and 14 are net positions and statement of activities. This is where GASB 34 is; Government Accounting Standards Board. Pages 3 thru 10 are the management discussion and analysis.

Lisa Parrish leaves the meeting at 7:11 PM and returns at 7:14 PM.

8. Discussion and possible action regarding Ordinance No. 2019-590 regarding a Council agenda setting policy.

Mayor Heinrich mentioned that Lisa Parrish would like to have this item withdrawn.

Cheryl Schram asked for the reason to withdraw.

Lisa Parrish stated that it was the same document presented before without any changes. Councilwoman Parrish would like more Council input. Comments sent to Brian LaBorde were not included in the packet.

Robert Cooper stated that he received an email with all the comments. Councilman Cooper likes the ordinance as written.

Gwen Beeson stated that she also received all the comments.

Mayor Heinrich likes the policy as presented. However, he asked Cheryl Schram about the previous policy with the previous Council.

Cheryl Schram stated that the policy is what we already have. If an item needs to go on the agenda, I generally go to the Mayor or City Manager. I believe that there needs to be some agreement among the Council to have it placed on the agenda. The agenda needs to be ready by Thursday and the material delivered to Council on Friday. That way if there is an issue it can be changed on Monday.

Lisa Parrish stated that there is always an item on the agenda for future agendas. Can it be added to the ordinance?

Brian LaBorde stated that it can be added into the ordinance.

Rob Foster asked if it would take two.

Brian LaBorde stated no.

Lisa Parrish asked why on all the agenda item reports it says under number four, options/recommendations, staff is recommending the original ordinance as it will provide flexibility to the Mayor and the City Council. However, the ordinance is saying it will be the City Manager and the Mayor.
Mayor Heinrich stated that the agenda item gives the Council opportunity to request items on the agenda.

Brian LaBorde stated that less is best. If it is too strict, you have no room to make changes as needed.

Cheryl Schram made a motion to approve Ordinance No. 2019-590 with "Discussion and requests for future items on the agenda." always be placed on the agenda as an item. Seconded by Gwen Beeson.

Lisa Parrish requested that it say Council in conjunction with the Mayor shall establish the agenda.

Mayor Heinrich stated that we cannot meet to establish an agenda. It will be set by the Mayor and City Manager. However, if there are items that you would like on the agenda it can be discussed at the Council meeting.

Robert Cooper stated question on the motion.

The motion carried 5-1-0. Lisa Parrish against.

9. City Manager’s Report:

Brian LaBorde introduced Bill Powell with Jacobs and Martin as our interim Public Works Director. Also, we are looking at all the water wells and why some are offline.

Cheryl Schram asked when it is determined that it cannot go deeper, is the site revisited.

Derek Turner stated that you can.

Brian LaBorde mentioned that the weather siren repair is under $50,000 and it can be approved administratively.

Chief Warner stated that according to the sales rep for the repairs, it will be three to four months before the repairs can be done.

Robert Cooper stated that we don’t need a siren. We have Everbridge.

Chief Warner stated that most people get notifications on their phones.

Cheryl Schram stated that we need to have the chain of command written out.

Rob Foster stated that he agreed with Mr. Cooper previously, but believes a siren is needed.

Lisa Parrish agrees.
Gwen Beeson stated that she is on the fence. For an additional siren though, Councilwoman Beeson would like staff to look for a grant.

Brian LaBorde announced future meetings regarding debt information.

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

Lisa Parrish requested that Council review Animal Control.

11. Executive Session:

   a) Section 551.071 of the Texas Government Code (Consultation with City Attorney): Discussion of pending litigation – Shelton, et al. v. the City of Keene, et al.; Cause No. DC-C201800139; 249th District Court, Johnson County.

Council entered into Executive Session at 8:20 PM.

12. Reconvene into Open Session for possible action resulting from any items posted and discussed in Executive Session including, but not limited to, consideration of a Settlement Agreement.

Council reconvened into Open Session at 10:24 PM.

Lisa Parrish made a motion to approve the Settlement Agreement for Shelton, et al. v. the City of Keene, et al.; Cause No. DC-C201800139; 249th District Court, Johnson County. Seconded by Rob Foster. The motion carried unanimously, 6-0-0.


City Council adjourned at 10:25 PM.

By: Gary Heinrich, Mayor

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