MINUTES
of the
SPECIAL CALLED KEENE CITY COUNCIL
&
KEENE BUSINESS DEVELOPMENT CORPORATION
&
KEENE ECONOMIC DEVELOPMENT CORPORATION

WEDNESDAY, JUNE 19, 2019

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

ABSENT: None

PRESENT (KBDC): David Patterson, David Bass, Samantha Gillin, and Charles Ferrier

ABSENT: Viliardy Alce

PRESENT (KEDC): Roy Robinson, Aaron Moses, Nick Chesney, Russ Ziegler, Cheryl Schram

ABSENT: Ricky Stephens, Donnie Beeson

CALLED TO ORDER: Called the meeting to order at 7:00 PM.

Invocation & Pledge of Allegiance & Texas Pledge
Rob Foster gave the invocation and led the Pledge of Allegiance and Texas Pledge.

1. Public Comments.

Bill Guinn stated that there is a 250-page manual on the TML website that explains the rules of the A and B Board.

Paul Terpening stated that he has been associated with organizations, specifically as a school superintendent. They have a budget and boards made up of other employees throughout the district. I am not familiar with Type A and Type B Boards. However, I have heard things in the community through the grapevine about things that people are
concerned about. One being a splash pad. I am not sure what that is and what it accomplishes. I am concerned about the cost initially, insurance and liability, who’s going to run it, and what the cost will be to run and maintain it. I don’t know what your budgets are or the financial status, but I would like to find out. If the funds are there, wouldn’t it be nice if City Council could return some of that money to the citizens in the form of a tax break. Myself, I have no problem paying the taxes, in fact, I believe it’s warranted. However, there are many people that are not in my situation and are unable to afford those things. It is just something to think about before you advise or decide on something that is good for the community and make sure it really is good for the community and not for an individual group that is going to serve the community and that it be money well spent.

Paul Gnadt stated that he googled rescinding a Type A and Type B Board. One of the promising links was a pdf written by Jeff Moore, an attorney with Brown and Hofmeister. I understand that to rescind, I voted in favor of it, to rescind would require another vote. It is a possibility that that $.01 that is available cannot automatically go into the general fund. My point is, I think that rescinding the boards would jeopardize the recruitment for volunteers for the City to the boards and committees by discontinuing a major vehicle that we have for citizen services. In my own opinion, Type A and Type B deserve credit of success for Keene Business Expo, funding of the annual Christmas parade and fireworks show, the Keene Chamber programs, and the Community Center. Redirecting $0.1 of sales tax revenue is not the answer to repairing our pot holes or voicing code violations or encouraging the influential non-profits to face some of their civic responsibility. I can navigate around pot holes. My quality of life is affected by barking dogs, vehicles parked all over my neighbor’s property, and my neighbors shooting their guns.

Bud Finley stated that if you are going to ask the voters to rescind the boards, then we have a right to know what the City’s intentions are. There is a long list of what the City wants to do. You may want to look at the DEAAG Comptroller website. Keene right now is between 6,000 and 7,000 per every person and family. That is per capita. Then you assume that only a third own property and the rest rent. Then that number looks more like $18,000 to $30,000 for every piece of property debt. That is a tuff situation to find yourself in. I don’t understand why
we don't have a full-blown infrastructure plan. If we want to have discussions like this, that say, the last I heard was 40k to 50k a mile for streets in town. Someone else says 250k a mile. Mayor Heinrich says we can't even put the water and sewer in for that amount. If it's 500k a mile, that is 25 million. On top of the debt that is already there. We need a plan now before our equity and our homes erode. I am disturbed that my $9,000 tax bill isn't being used correctly. That the infrastructure of this town is not being taken care of. If you choose to disband these boards, the money wouldn't even pay the interest on the bonds at 25 million. That means you will need to find another way which means myself and all other citizens writing a check for the frontage of my property.

Mayor Heinrich stated that the City is working with engineers on fixing and replacing the roads with water and sewer one street at at time. It is a 20-year plan.

Bud Finley stated that no one has re-invested anything for Keene. When the new City Hall was built, I asked the previous Mayor why we didn't use bonds. His answer was that the City didn't have the financial statements to support a bond issue. So, we issued certificates of obligation to go around the bond process.

David McKinney asked about grants.

Mayor Heinrich stated that we do get grants and are working on additional grants. Sometimes, we don't qualify.

David McKinney asked about expanding the tax base with the Industrial Park.

David Patterson stated that we have expanded the land and are now working on expanding the businesses out there. There are currently two tenants that we have helped expand which has doubled the tax base.

Mayor Heinrich stated that Texas Pocket Springs, Lee Products and BHC Industries are out there.

David McKinney asked what the population was.
Mayor Heinrich stated 6,200. This amount includes college students.

Larry Wright asked about expanding the Villas on the south end of town. There is a waiting list to buy and move in. However, the City has not been allowed to expand.

Mayor Heinrich stated that the City put a moratorium on the Villas because a cul-de-sac is supposed to be built on one of those streets to allow a fire truck to turn around in.

Larry Wright stated that each villa sells for $250-$350k each. This would be a money tax source for Keene. Also, whatever happened to the pavilion that was supposed to be built?

Mayor Heinrich stated that money for that is still being collected.

Larry Wright asked why one of these boards can’t pay for it.

Aaron Moses stated that it has been on our agenda along with the splash pad.

Larry Wright stated that this has been part of conversation for years with no money to do it.

Aaron Moses stated that it is on a list of things that the board would like to do.

Larry Wright stated that the splash pad is for a select few. The pavilion is for everybody. Once it’s built, the maintenance for the pavilion is nothing compared to a splash pad.

Mayor Heinrich asked if a pavilion could be built for $250,000.

Larry Wright stated yes.

Nick Chesney stated that any profit that comes in at the Fourth of July parade goes towards the pavilion.

Mayor Heinrich stated that it is up to $36,000.
Larry Wright asked if the pavilion would be an income or would it be free. According to Ms. Shaw, it would possibly be a rental for large gatherings.

Roy Robinson stated that the B Board has applied for a grant that includes the splash pad and the pavilion.

Cheryl Schram stated that the B Board has paid for a Master Park Plan. The Celebration Committee paid for a concept plan for the pavilion.

Larry Wright stated that the pavilion would be an asset to the City.

Russ Ziegler stated that the Master Park Plan and the grant are tied together. The grant if approved would cover 50% of the cost. It is a matching grant.

Larry Wright asked how long a grant takes.

Russ Ziegler stated it can take two years.

Bud Finley stated that a list of tax-exempt properties would be helpful when making decisions.

Roy Robinson stated that we haven’t had a lot of discussion on our board, but I would like to see the pavilion done. However, keep in mind that we have a lot of kids that live here, and the young people would like to have a splash pad.

Aaron Moses stated that at the bottom of the agenda is an item that asks for future items on the agenda. I have never heard a request regarding the pavilion.

Mayor Heinrich brought up the basketball court and adding lights.

Aaron Moses stated that the board as talked about that.

Russ Ziegler stated that the goal of these boards is to increase the quality of life and generate more traffic. Our purpose is to keep sales dollars in Keene. These are funded with 1% sales tax. If we can keep
people in town to spend their money here that only increases the amount that can be put back into the town.

Samantha Gillin stated that if the boards are eliminated it may take away incentives for business to come into town. Council needs to think about the positive that the boards have done.

Lisa Parrish asked how long the boards have been active.

Mayor Heinrich stated that they were voted in around 1999.

Charles Ferrier stated that the pavilion idea has been around for years. The reason that it hasn’t been built yet is the lack of interest. The people that are interested in the pavilion are the elderly. The young folks don’t care. It has been on the agenda and have been raising money for ten years.

Paul Gnadt stated that he encourages board members to attend the Celebration Committee wrap up meeting so that they can get caught up on the pavilion.

Roy Robinson stated that this building would not be here attached to City Hall if it weren’t for the B Board. When the funds were short for the Elisa Carver Park, the B Board gave the funds to finish it.

Bill Guinn stated that Elisa Park obtained a grant for 50% of the park and the B Board put in the remaining amount to receive the grant. The grant was for $250,000.

David Patterson stated that it was a matching grant for $240,000. The B Board ended up borrowing $386,000 to finish the project. That has been paid in full.

Bill Guinn stated that Type B was formed to help pay for the park. There has been a lot of conversation tonight about what to do and where to apply the money but not to do away with them. Type A has worked diligently on the Industrial Park and bringing in business. They will need an Economic Development Director to manage those businesses and keep more coming in. They manage things on a full-time basis.
Mayor Heinrich stated that if the boards are eliminated we would have to pay all their debts first.

David Patterson stated that it would have to come from sales tax, not the City. The State would collect the sales tax and then it would go to pay off the debt. Once those debts were obligated, the State would start releasing the money back to the City. Thank you, Mayor and Council, for having this workshop. This is something that I would like to see on a quarterly basis. Both boards work diligently and there is probably a lack of communication on what the vision of the Boards is and what the vision of the Council is. People always say that if you want to know what is going on, attend a meeting. I think we owe it to each other to communicate and have quarterly meetings and make sure we have the same vision. There has been discussion about administration and whether we need an ED Director. We currently have several 380 agreements in place and in negotiations. Their salary and all expenses come from the A and B Boards not the general fund. If Council chooses to do away with the Boards, I would like to hear a solid plan. Someone would need to handle the administrative agreements, 380 agreements, TIFFs, and tax abatements. Some have said that we could get Diana Miller with Johnson County. Diana Miller does not have the time. The City is currently consulting with Diana but to do what is needed the pay would quadruple. These are things that need to be considered. Someone must be actively pursuing developers. Sales tax has increased over the years due to the efforts of having an ED Director. We have heard a lot of views on the pavilion and the splash pad. It seems controversial. Maybe a survey needs to go out at the expense of the board. This will allow for citizen input.

James Belz asked the B Board, how many of you know that we had damage to the front gate at the park, how many wrote a check to fix it, how many of you know what the estimates were to fix it.

Nick Chesney asked how much the insurance company has paid.

James Belz stated nothing yet, but it will. I am still waiting on an answer to my questions.

Roy Robinson and Aaron Moses stated that they did not know.
James Belz stated that it cost $1,800 and it was paid by the City. How much is the mowing contract? It is $30,000. The board pays $10,000 of that and the remaining is covered by the City. In your meetings it was brought up of who was going to pay for the maintenance of the splash pad. The first thing brought up was the City. There is no communication between the boards and Council. I believe that the money is not being spent correctly and that we are not listening to the people.

Charles Ferrier stated that what Mr. Belz is saying, it makes a lot of sense. However, there are a lot of things that both boards are doing and believe there is a learning process. Also, it is very difficult to get volunteers to serve on these boards in an enthusiastic and caring way, quality people to make good decisions. If these boards are dissolved, who has the time to come in and volunteer their time for this.

James Belz stated that he did.

Charles Ferrier continued to state that the park was put in for the citizens of Keene. Why should B Board pay for the upkeep? The citizens are the ones using the park.

Mayor Heinrich stated it was quality of life.

James Belz asked where the money came from.

Charles Ferrier stated the sales tax, but it is not enough to pay for everything. Both boards have been the best thing for this community. For years, the City did nothing and now we have high taxes for everything and pot holes. These boards have quality volunteers. The citizens need to come out and make their voices heard.

James Belz stated that all he wanted to do was bring attention to the decisions that were being made.

Cindy Hopps stated that dissolving the boards doesn’t automatically allocate the money to the City. To do that, the citizens of Keene must vote. I think that there needs to be a Council representative on each board. That would help with the communications.
Paul Terpening stated that he agrees that there needs to be a Council representation on each board. As some time, City Council established an A and B Board. At the time they were established they had no budget. Who sets the budget?

Mayor Heinrich stated the Council.

James Belz added the City Manager.

Paul Terpening asked about being able to view the budget and the process.

James Belz stated that it is online and in the lobby.

Mayor Heinrich stated that we will be having another meeting like this one in a few weeks with the attorneys.

Larry Wright stated that he hasn’t seen any postings of the meetings.

Charles Ferrier stated that the agendas are always posted 72 hours prior to the meeting.

Larry Wright stated that the agendas need to be advertised in some way. This room should be full of citizens. The last meeting, I attended, Council was talking about the dog pound. The dog pound is a passion of mine. This needs to be fixed so that we can be proud. Why was it shut down? Two years ago, it was functioning just fine. I took a walk through the pound last month and was appalled at what I saw. There is money that can be spent on this.

Cheryl Estes asked where. The boards cannot spend the money on the shelter.

Samantha Gillin stated a citizen can start a go fund me account for the shelter.

David McKinney asked how much it would cost the City to put an ad in the paper regarding the meetings.
Mayor Heinrich stated that the agenda is on the website, the bulletin board, and the digital sign.

Samantha Gillin asked if there is any way to get alerts on our phones regarding meetings.

Holly Owens stated that the new website has a notify me button that gives citizens the opportunity to sign up for notifications for everything from bid postings to agenda postings.

Russ Ziegler stated that citizens are involved as much as they want to be. The information is out there, if people choose to look.

Roy Robinson addressed Councilman Belz's comments. We do need to work together. The boards are doing good but not at an optimal level. Communication needs to be better and ideas need to be shared. Regarding the City paying for the mowing and maintenance of the park. That came about because the City had all the equipment to maintain the park. Overtime, the City contracted it out. Also, all the City meetings need to be videotaped for viewing purposes.

Bill Guinn stated that the A Board and B Board have a budget that is approved by City Council. The Council is supposed to get monthly updates of those budgets.

Mayor Heinrich asked the boards when they would be able to meet again with the attorney's present.

Multiple people stated after July 8th.

Gwen Beeson stated before the next joint meeting, we need to have a list of possible expenditures that the boards can take over to free up money to be used for infrastructure.

Mayor Heinrich talked about the splash pad expenses based on Joshua's splash pad. 85,000 gallons of water goes through the splash pad per month. They run their water into a retaining pond which they use to water the park. Water costs them $11,000 a month. If a splash pad is done, a lot more study needs to go into it.
David Patterson stated that in response to Mr. Wright's comment about the Villas and the cul-de-sac. There is a 380 agreement in place if their administration would like to pick up where they left off. They can recoup some of their money according to the 380 agreement in place. When it was signed, CTE stated that they would put it in and the City kept releasing permits. Finally, the City said no more permits until the cul-de-sac got built.

Mayor Heinrich stated that it is under new ownership.

Thomas Gutwa stated that he has some experience in entrepreneurship. The City needs to work with young entrepreneurs to open business in Keene.

2. Comments by Mayor, Economic Development Board President, and Business Development Board President.

Item 1 and Item 2 ran together.

3. Discussion and possible action regarding the Keene Economic Development Board and the Keene Business Development Board.

No action.

4. Executive Session.

No Executive Session.

5. Reconvened into Open Session.

No Executive Session.

6. Adjournment.

The meeting adjourned at 8:59 PM.

By: [Signature]

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