

CITY COUNCIL REGULAR
MEETING MINUTES
TUESDAY, AUGUST 13, 2019

MEMBERS PRESENT: Mayor Kyle Kutch, Thomas Cash, Dana Mizell, Kevin Hood, Joe Stephens

MEMBERS ABSENT: Greg Hulett

STAFF PRESENT: Charlie Smith, Melba Haralson, Brian Russell, Leah Brooks, Terry Roach, Beaux Huey, Billy Morgan

GUESTS PRESENT: Jimmy Isaac, Ronnie Shields, Jim Bardwell, Selina Tabor, Stacy Anderson, Shelia Faggans, Bob Watson, Dale Thomas, Mike Cassin

1. CALL TO ORDER – 5:00 p.m.
 - a. Invocation
 - b. Pledge of Allegiance

2. CONSIDERATION OF CONSENT AGENDA
 - a) City Council minutes for July 9, 2019 and August 6, 2019
 - b) Investment report for quarter ending June 30, 2019

Councilmember Cash moved to approve, seconded by Councilmember Stephens. Carried 4-0.

3. CITIZENS COMMENTS

Ronnie Shields said he is still trying to get something going in White Oak for people to gather and play games.

4. CONSIDERATION of Resolution 2019-11 authorizing WOEDCO to enter into an economic development performance agreement with Cherokee Steel Fabricators, Inc.

City Coordinator Smith stated that WOEDCO offered a \$50,000 grant to purchase equipment and with that it would add 6 more employees.

Councilmember Stephens moved to approve, seconded by Councilmember Hood. Carried 4-0.

5. DISCUSSION regarding West Walker Street and extension / repair of existing street

City Coordinator Charlie Smith explained that Dale Thomas owns property further down W. Walker Street and wants to sell a lot from it. Extending the street would give easier access. Public Works Director Tracey Fears said it would take quite a bit of money to

CITY COUNCIL MEETING MINUTES

August 13, 2019

Page 2

extend the street. Councilmember Hood received affirmation from City Coordinator Smith that this is typically a developer's responsibility. Mr. Smith said he will visit with Mr. Thomas and point him toward our subdivision ordinance. Dale Thomas asked if the city claims that street and if so, he would like to see it maintained as other streets. He said extending the street would open up a lot of property. He just needs to know what the city's position is. City Coordinator Smith said this needs to be brought before the Planning & Zoning Commission.

6. CONSIDERATION of Ordinance 2019-03 to approve amendments and adjustments to fiscal year 2019 budget

Councilmember Hood moved to approve the amendments and adjustments as presented, seconded by Councilmember Cash. Carried 4-0.

7. PRESENTATION of proposed budget for fiscal year 2020

Assistant City Manager/City Secretary Haralson presented highlights of the proposed budget.

City Coordinator Smith talked about upcoming needs that are not included in the budget, i.e. \$300,00 for street repairs, George Richey Road and Hwy 42 expansions for which we need to fund by selling certificates of obligation. He also cited water main breaks currently under repair from Big Sandy and the added cost of buying raw water from Longview, plus a possible new pump station from the Sabine River.

8. CONSIDERATION of PROPOSED ad valorem tax rate for fiscal year 2019-2020
(If proposed rate exceeds the effective tax rate a record vote must be taken and date and time of two public hearings must be announced.)

ACM/City Secretary Haralson stated the tax rate revenue in the proposed budget is calculated at the current tax rate of \$0.58628/\$100, which is over the effective rate of \$0.55778/\$100. She explained that current law sets the rollback rate at 8% over the effective rate. Currently, if a city adopts a rate that is higher than the rollback rate, citizens can petition for an election to "roll back" the rate. Senate Bill 2 becomes effective 1/1/2020, which prohibits a city from adopting a tax rate that is 3.5% above the effective rate without a mandatory election and voter approval. This year's proposed tax rate of \$0.58628 is 4.8% above the effective rate, so if SB 2 were in effect now we could not adopt the proposed budget unless voters approved the rate at a special election in November. This is the year to budget for street work and other capital projects.

Councilmember Hood moved to propose the rollback tax rate of \$0.60240/\$100. Motion seconded by Councilmember Cash. Record vote taken; Councilmembers Mizell, Stephens, Cash and Hood in favor, none opposed.

Mayor Kutch announced the two public hearings on the tax rate will be held August 20th and September 3rd at 5:00 p.m.

CITY COUNCIL MEETING MINUTES

August 13, 2019

Page 3

9. CONSIDERATION of Ordinance 2019-04 to amend Chapter 82, Article II, Section 82-46(B), of the Code of Ordinances to amend the present water rates

City Coordinator Charlie Smith stated that water rates were last increased in 2017 and operational costs have risen since then. He said we have several capital expenditures in the budget, some of which are mandated by TCEQ. He recommended a \$1 increase to the minimum rate plus .25 to each consumption tier. ACM Melba Haralson added that the proposed budget has the recommended rate increase factored in, which was estimated to bring approximately \$60,000 in additional revenue.

Councilmember Hood moved to approve, seconded by Councilmember Stephens. Carried 4-0.

10. CITY COORDINATOR REPORT
- a) Update on capital improvement projects
 - b) Administrative updates

Appreciation was expressed to the public works crew that is repairing the Big Sandy water line. He said they have the railroad track on one side and Highway 80 on the other. They are doing an excellent job.

11. ADJOURNMENT

Councilmember Stephens moved to adjourn at 6:15 p.m., seconded by Councilmember Mizell. Adjourned by consensus.

Attest:

Kyle Kutch, Mayor

Melba Haralson, Asst. City Manager/City Secretary