

State of Texas

County of Brazoria

City of Angleton

The City of Angleton, Texas City Council conducted a Special Meeting at 6:30 p.m., Tuesday, May 6, 2008, with the following in attendance:

|                  |               |
|------------------|---------------|
| J. Patrick Henry | Mayor         |
| Roger D. Collins | Mayor Pro Tem |
| Gregg Dykes      | Councilman    |
| Jason Perez      | Councilman    |
| John Wright      | Councilman    |
| Bonnie Church    | Councilwoman  |

**OTHERS PRESENT:**

|                  |                  |
|------------------|------------------|
| Greg Smith       | City Manager     |
| Keith Vaughan    | City Attorney    |
| Amanda Davenport | City Secretary   |
| Herb Smith       | City Engineer    |
| Gary Gratzer     | Auditor          |
| Susie Hernandez  | Finance Director |

And those listed on the guest registry.

1. CALL TO ORDER BY MAYOR HENRY.
2. Discussion and possible action on awarding bids for Downing Road/Campus Drive/Stadium Drive.

Greg Smith presented this item: Council, you have the bid tabulation in your packet and a letter of recommendation from Baker & Lawson. Angel Brothers out of Baytown was the low bid and came in at \$1,516,514.75. This company is very reputable but has not done any work in this area before. There are two items in this bid not included, the traffic light at Henderson and Downing and the street lights, these will be at additional cost. This does not include engineering costs.

Motion by Mayor Pro Tem Collins to award the contract to Angel Brothers from Baytown.  
Second by Councilman Perez

Greg Smith stated that they also had the lowest number of days for the first portion of Downing Road.

Motion passes with 6 for; 0 against; 0 absent

3. Discussion regarding the 2007 Audit presented by Gary Gratzer.

Mr. Gratzer presented the highlights of the audit stating that the two page report is the auditor's letter to the city stating that the books and records of the city have been examined and these financial statements either do or do not present the financial condition and results of operation in conformance with general accepting accounting principals. The City of Angleton has both a clean and a qualified opinion. GASB 34 changed the rules of governmental accounting standards. Balance Sheets and statement of net assets, it compresses all the financial statements for the general fund, special revenue funds, debt service funds, ABLC and governmental activity. These are the funds you focus on managing from month to month. For GASB 34 you must include fixed assets and long-term debt. We do state in the letter that there is a deviation from general accepted accounting practices because it does have the fixed asset records that comply with general accepted accounting practices. Greg has made it clear that this will be taking place in the next year or two and he's had experience doing this.

Mayor pro Tem stated that this is a waste of money. Mayor Henry stated that unfortunately before too long it will not be an option and every city will be forced to do it.

On through the rest of the letter the financial statements get clear and better and do comply with general accepted accounting practices. With the internal checks and balances and we test to see the internal control systems work and the statements are correct.

This City is in solid financial position with the Income statement showing the total expenses by function. The General Fund has 90 days or more worth of operating expenses and with the

street fund there is another 45 days, again we have solid financial standings. All of the major governmental funds had an increase.

The water and sewer funds need help, these funds have been in this shape for many years and I understand there have already been steps taken to improve these revenues. The water and sewer is still generating revenue from its operations and it is still generating a positive cash flow, but the capital improvements and service of bonds has kept it slim.

Councilman Wright would like Mr. Gratzer's opinion on going out for more debt service, are we in a position to do this? Reply: Not a fan of debt but to get anything done you must incur debt, the City of Angleton has some debt falling off and Angleton has had good steady growth so paying it back shouldn't be a problem.

Council I've enjoyed working with you, most of you know I've taken another job and will be leaving the City of Angleton to another auditor.

4. Discussion and possible action on 2007/2008 Fiscal Year Budget Amendments.

Greg Smith presented the highlights. In the general fund \$116,589.00 being put back into reserves.

Three depts. that had a budget increase, Administration (for healthcare reasons), taxes, and the cost of the black trash bags that used to be in the Building Department budget. Street fund savings of 23164.00; water fund increasing the revenues by 100375.00 due to late and reconnect fees. Implemented a new plan to get bills paid off faster-- now locking meters with a warning tag. Using promissory notes for people with 90 days late on bills, satisfying this problem should get us where we need to be on the water account. We've implemented plans to get this under control. Collections department increased due to new equipment for our water bills.

Special funds - hotel - 2732.00; municipal court tech fund is a wash. All capital projects we have a savings of \$18000.

Motion by Mayor Pro Tem Collins

Second by Councilwoman Church

Motion passes with 6 for; 0 against; 0 absent

5. Discussion regarding Certificates of Obligation.

Greg Smith presented this item. As you know we've discussed this several times before. The numbers haven't changed, on the courtroom addition, that budget is probably a little light on the cost, probably closer to \$150/foot, doesn't change the recommendation to council. Cinder track sidewalks on Henderson all the way east to the apartment complex. Tay-Wal Loop we have the easement in place project at \$75K. FEMA and Western Avenue cost about \$25k for the elevation to be proven up and approved by FEMA.

June 10 or June 24<sup>th</sup> sale. We have taken care of our business to where a decision on this is needed for a cash flow basis when Downing Road starts.

6. Discussion and possible action on approval of resolution 2008-R-5A authorizing publication of notice of intention to Issue Certificates of Obligation.

We are committing to issuing the 2.5 million and ordering that the bonds be purchased.

Motion by Mayor Pro Tem Collins to adopt the resolution 2008-R-5A

Second by Councilman Perez

Motion passes with 6 for; 0 against; 0 absent

7. Discussion and possible action on approval on setting the date for canvassing election results.

Mayor Henry prefers the 20<sup>th</sup>. 6:00 p.m. The rest of Council agrees to this same date.

8. Adjourn at 8:08 pm