



NOTICE OF REGULAR WORKSHOP MEETING

March 8, 2017

SHENANDOAH CITY COUNCIL

STATE OF TEXAS

AGENDA

COUNTY OF MONTGOMERY

CITY OF SHENANDOAH

NOTICE IS HEREBY GIVEN that a Regular Workshop Meeting of the Shenandoah City Council will be held on Wednesday, March 8, 2017 at 6:00 p.m. at the City of Shenandoah Municipal Complex, 29955 IH-45 North, Shenandoah, Texas for the purpose of considering the following:

CLICK EACH LINK TO JUMP TO THAT ITEM IN THE MINUTES. PRESS CTRL+HOME TO RETURN TO THIS PAGE.

1. [CALL TO ORDER](#)
2. [CALL OF ROLL](#)

CITIZEN'S FORUM

3. [CITIZENS FORUM](#) (Audio - 0:30)

Citizens are invited to speak for three (3) minutes on matters relating to city government that relate to agenda or non-agenda items. Speakers are asked to stand up and approach the podium to address Council and give their name and address before sharing their comments.

Responses to inquiries are limited by state law to a recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision by Council shall be limited to a proposal to place the subject on the agenda of a future meeting.

SUMMARY: Karl Kolvig and Julia Hepburn addressed Council regarding issues they observed or were experiencing in the community.

INDIVIDUAL CONSIDERATION

4. [Discussion and possible presentation by the involved parties regarding a proclamation acknowledging Blind Veterans Day.](#) (Audio - 6:44)

SUMMARY: Council supported the Mayor signing the proclamation acknowledging Blind Veterans Day.

5. [Discussion and possible presentation by the involved parties regarding the annual financial report for 2016.](#) (Audio – 8:34)

SUMMARY: The auditor presented an overview of the City's annual financial report and

indicated he would bring the final version back at the next meeting for formal approval.

6. [Discussion and possible presentation by the involved parties regarding the annual fire service fees for 2017.](#) (Audio - 26:33)

SUMMARY: Staff presented an overview of the fire services contract with The Woodlands Fire Department. Council discussed the contract and related fee increases and will take formal action to approve it at the March 22, 2017 regular meeting.

7. [Discussion regarding water rates.](#) (Audio – 32:36)

SUMMARY: Council discussed the cost of water/sewer operations and future water rate increases, as well as the timeline for informing residents of rate increases. No formal action was taken.

8. [Discussion regarding ordinances:](#) (Audio – 1:10:48)

- a) Farm animals
- b) Trash

SUMMARY: Council discussed drafting ordinances to regulate farm animals on residential property and the schedule for placing large items and bulk waste at the curb for trash pickup. Staff will research other cities and receive input from residents. No formal action was taken.

9. [Discussion regarding community signs.](#) (Audio – 1:26:33)

SUMMARY: Council reviewed design mockups for community signs and will take formal action to approve the new signs at the March 22, 2017 regular meeting.

10. [Discussion and possible presentation by the involved parties regarding park reservations.](#) (Audio - 1:37:26)

SUMMARY: Council discussed a new system for allowing people to reserve the pavilion at the main park. They will take formal action to approve the new process at the March 22, 2017 regular meeting.

11. [Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution:](#) (Audio - 1:59:34)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHENANDOAH, TEXAS, ACCEPTING A PETITION TO CREATE THE METROPARK PUBLIC IMPROVEMENT DISTRICT AND CALLING FOR A PUBLIC HEARING.

SUMMARY: Councilmember Houston moved to adopt the resolution. Councilmember Teague seconded, and the motion carried. The Resolution was adopted.

12. [Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution:](#) (Audio - 2:14:11)

A RESOLUTION AUTHORIZING AND APPROVING DEVELOPMENT PLANNING & FINANCING GROUP, INC., AS THE PUBLIC IMPROVEMENT DISTRICT CONSULTANT FOR THE PROPOSED METROPARK DEVELOPMENT AND RESOLVING MATTERS INCIDENT AND RELATED THERETO.

SUMMARY: Councilmember McLeod moved to adopt the resolution. Councilmember Teague seconded, and the motion carried. The Resolution was adopted.

13. [Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution:](#) (Audio – 2:15:20)

A RESOLUTION AUTHORIZING AND APPROVING FMSBONDS, INC. AS THE UNDERWRITER FOR THE PROPOSED SPECIAL ASSESSMENT REVENUE BONDS RELATED TO THE METROPARK DEVELOPMENT AND RESOLVING MATTERS INCIDENT AND RELATED THERETO.

SUMMARY: Councilmember Teague moved to adopt the resolution. Councilmember Frazier seconded, and the motion carried. The Resolution was adopted.

14. [Discussion regarding meeting minutes.](#) (Audio – 2:17:13)

SUMMARY: Council discussed changing to word-for-word meeting minutes for all City meetings for greater detail and transparency. They determined to start with the month of March.

15. [CITIZENS FORUM](#) (Audio – 2:29:10)

Citizens are invited to speak for three (3) minutes on matters relating to city government that relate to agenda or non-agenda items. Speakers are asked to stand up and approach the podium to address Council and give their name and address before sharing their comments.

Responses to inquiries are limited by state law to a recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision by Council shall be limited to a proposal to place the subject on the agenda of a future meeting.

SUMMARY: No citizens wished to speak.

16. [City Administrator comments](#) (Audio – 2:29:25)

SUMMARY: The City Administrator presented updates to Council on a range of ongoing projects and events in the City.

17. [Council's Inquiry](#) (Audio – 2:39:15)

Pursuant to Texas Government Code Sect. 551.042, the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to a recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place the subject on the agenda of a future meeting.

SUMMARY: Council inquired and/or expressed opinions about a range of current City issues and activities.

EXECUTIVE SESSION

Public notice is given that the City Council may elect to go into Executive Session at any time during the meeting in order to discuss any matters listed on the Agenda when authorized by the provisions of the Open Meeting Act, Chapter 551 of the Texas Government Code, to receive advice from legal counsel, to discuss matters of land acquisition, personnel matters or other lawful matters that are specifically related to items listed on this Agenda. Prior to any such

closed session, the Mayor, in open session, will identify the agenda item to be discussed and the Section or Sections of Chapter 551 under which the closed discussion is authorized.

Executive Session – According to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code as follows:

- i) Government Code §551.087. Deliberation Regarding Economic Development Negotiations
- a) Consideration and if determined appropriate, take action resulting from the item(s) listed under Executive Session.

ADJOURN

The Council may vote and/or act upon each of the items listed on this Agenda. One agenda item will be discussed at a time unless logic and practical consideration allow similar topics to be considered together for purposes of convenience and efficiency. The Council may retire into executive session concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.

City Hall is wheelchair accessible. A sloped entry is available at the entrance with specially marked parking spaces available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 281-298-5522 or Fax 281-367-2225 for information.

I certify that the attached notice of meeting was posted on the bulletin board at City of Shenandoah Municipal Complex, 29955 IH-45 North, Shenandoah, Texas, on the 3rd day of March, 2017 at 2:25 o'clock p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier



Kathie Reyer, City Secretary



**MINUTES – City Council Meeting
March 8, 2017**

1. CALL TO ORDER

Mayor Wheeler: Alright we'll call to order, the regular workshop meeting for the city of Shenandoah, Wednesday March 8th.

2. CALL OF ROLL

Mayor Wheeler: Let the roll call roll, looks like everybody's here. We'll move directly into item three, which is citizen's forum.

3. CITIZENS FORUM (0:30)

Mayor Wheeler: Citizens are invited to speak for three minutes on matters relating to city government that relate to agenda or non-agenda items. Speakers are asked to approach the podium, state their name and just keep in mind that, unfortunately, we're not allowed to comment on your comments, so with that being said, Mr. Carl Kolvig first.

Carl Kolvig: Okay, thank you. My name's Carl Kolvig. I've been at 606 Crestwood been a resident in Shenandoah for 43 years. For the first 40 years I was here, I had no problem with water standing in my yard. The past three years after Malaga force went in, any heavy rain or good rain, I get water to my backyard quite a distance up to that time I had gone through three hurricanes- let me rephrase that, two tropical storms and one hurricane never had a problem with water.

With Malaga and Lily the dirt has been built up back there twice. Couple of years ago I went to the City and they came out and I don't know who I would talk to, I will be honest with you...One person from public works just shrugged his shoulders, I talked to him he said they couldn't do anything about it. Another time when I done talking to him he said if I did anything, this forest filling in my yard, the Malaga forest construction would sue me for putting in dirt.

This is past weekend, past week I'm sorry, they bought in 10 loads of dirt right behind my yard and the backyard of those if you've ever seen them, is about 10 feet from the house to the fence and they built it up and it appears they've put in a sprinkler system there too, that just comes in that much water in my yard. Just for your information, I don't know all of them, some I have looked at, not only in my house at 606 Crestwood, but 602 Crestwood, 610 Crestwood and 29038 Deadwood.

Also, when I talked to someone public works in Malaga forest told him there was no filling done there, there was a pond there. I guarantee you there was a pond there, anybody that has lived there over 20 some odd years will guarantee-- my oldest son fished there from the time he was six years old till the time he was about 15 or 16.

That's basically it and it looks like to me that they built up the house as the new construction there and now the sloped out comes underneath the wood fence and when I get a heavy rain or just a hard rain I'll get water six to 10 feet from the fence and even after it drains out, my backyard will stay soggy unless I have three or four days of sunshine. At one point, the Malaga did build a trench parallel to the fence and it helped for a while but it filled in with the dirt washing into there and weeds and that trench right now does no good whatsoever. That's all I have saying thank you for your time.

Mayor Wheeler: Thank you Mr. Kolvig. Okay next up Ms. Julia Hepburn.

Julia Hepburn: Good evening you all. It's Julia Hepburn. I live at 28903 Enchanted Drive. What I want to talk about is not on the agenda. I understand we've had some little bit of like for better or worse, some vandalism, some people thinking it's necessary to come into our city and take things that are not theirs and in the process it's caused multiple issues on any social media that you have that is connected to the city making it sound like our police forces isn't doing anything or they are out, they want to rally together and do a neighborhood watch and I just feel the city needs to be more aware of what's out there that maybe somehow we can nip it in the bud before it's running rampant.

I do know for a fact that I myself have been a victim twice. One truck was in the driveway, it was locked and there where lights on it but it didn't prevent them from breaking out the window and entering the back and taking the truck. My truck sitting in--yes it's on the street side but it's totally locked and has alarm system, they broke the window and that, I mean, saying we need lights and you need a lock and you need a heavier vehicle in the driveway, some of those things really doesn't prevent these people that want whatever it is that you have. Whether you have anything in your vehicle or not, they get their jollies on doing whatever.

I know at one time we even talked about getting license plate readers. I think that's something we need to bring to the forefront of we are finding that we are getting more and more of these people coming in. We used to have one way in and one way out now we've got five not only that you've opened yourself up to the number one busiest free way, you can head south and head north before our officers even have a chance to realize what's going on in the city. We really need to look at this and take a picture. If our officers need us, then that's what we need, if they need this, we need to get it for them, if they need their equipment we need to get it for them. Whatever they need so that they can do their job the best way they know how that's what we need to do as a city. Thank you all.

Mayor Wheeler: Thank you Julia. Okay let's move in to item four which is discussion and possible presentation by the involved parties regarding a proclamation acknowledging blind Veterans Day.

4. Discussion and possible presentation by the involved parties regarding a proclamation acknowledging Blind Veterans Day. (6:44)

Mayor Wheeler: This is a discussion-only item. I'll kick this off, this was a letter that I got in the mail here to the city which was from the Blind Veterans Association, it's in the agenda packet, you can read it. Basically they are asking me to have a proclamation for-- is it March 28? I need to go back and read this and see what date it is.

Councilmember Teague: It's March 28.

Mayor Wheeler: Yes, March 28 is Blind Veterans Day. I just wanted to get Council's input on it. If anybody has any strong feelings one way or the other, my default is, we're talking about veterans of our military, blind veterans of that-- hard to say no to something like that that doesn't really cost us anything and it shows support. If you're willing to talk about it and get everybody's input.

Councilmember Houston: I am for the process and for the proclamation. Anything that is relevant to a successful project relating to veterans, I'm all in. This had been around since 1945 and has been effective. I would appreciate this process going forward.

Councilmember McLeod: Yes. That's a good thing too.

Councilmember Frazier: I'm all for it.

Councilmember Teague: Thank you for bringing it to us but, I support it.

Councilmember Frazier: Yes, Absolutely.

Mayor Wheeler: Very good. All right, fair enough. Pretty simple.

5. Discussion and possible presentation by the involved parties regarding the annual financial report for 2016. (8:34)

Mayor Wheeler: All right we'll move on to item number five, which is discussion and possible presentation by the involved parties regarding the annual financial report for 2016. I'm sure glad we made those agenda items longer, so I get to read more.

Mr. Smith: Sorry about that. Council tonight, our auditor is here, Mr. Louise Breedlove is actually audit manager for this city's audit, this is the first time Mr. Breedlove has been our audit manager. His company has done the audit in the past but this is his first time to see our documents. That is their practice to moving it around. I would like to point out a couple things, this is the first time we've had an audit that had a discussion item earlier in the month and then action at the end of the month.

If we want Mr. Breedlove to come back next time, there could be some additional charges, because when we signed the contract it was for final presentation. I would also like to report that this audit is coming to you two weeks earlier than it has in the past history of Brooks & Cardiel. With that I'll turn over the podium over to Mr. Breedlove.

Louis Breedlove: Thank you. Just to add to that, being that it is presented a little early, it's marked as a draft. It's currently in review by-- we do two waves of partner review, it's in that process right now. It is subject to change. I don't anticipate anything being tweaked, but I just want to bring that to your attention so that in two weeks whenever the final is presented, if you notice any minor changes, that would be why.

First, I just want to say thank you to Jennifer and Lisa and the rest of the staff out are here, you guys have been excellent to work with. It's been a very smooth process, very smooth audit. I got this presentation here, just to run through, give you a little overview of the audit process. We do our planning process and perform preliminary, analytic procedures covering all accounts. We understand the city internal controls. We do interviews and walkthroughs of those. Evaluate the design and implementation of the internal controls for each significant audit area. We assess various organizational, financial and fraud risk through discussion with management and results of our planning procedures. We design our audit process based on those, with a focus on areas containing the greatest risk material misstatement, error and fraud.

Next page, audit field work, completion reporting. This process agreeing to financial statement elements to underlying accounting records including year-end account's balances and transaction activity. We inspect documents, recalculating any various amounts, inquire of proper personnel, to verify those account balances. We do our confirmation for cash and investment balances in any AR inventory that maybe in any material grants. Then we perform specific, analytical procedures considering any historical trends and events within the city.

The audit completion, we evaluate the sufficiency and the appropriateness of the audit evidence obtained. Perform an overall analytical review and if I would to conclude the results of our procedures. At that point we would prepare the report and issue our opinion which in this particular copy of the report, there's not an opinion included since it's a draft status, but there would be an opinion letter within that report in the final.

Next page is a breakdown of the components of the annual financial report. This would include the auditor's opinion, the management discussion analysis or the MDNA, basic financial statements which would include your government-wide, your fund level and then the notes to the financial statements. Your required supplementary information which would have your budget team or as your disclosures.

Next page is the opinion that will be issued is going to be an unmodified opinion. This is, as auditors, the highest level of assurance that we could provide. Next, some financial highlights, total assets exceeded total liabilities by 45.3 million. The governmental funds reported combined any fund balances of 14.8 million. This is an increase of two million. The unassigned fund balances and the general fund was just over six million, which is 94% of annual general fund expenditures. Which is a very good sign of a healthy fund balance.

The city's net funded pension liability totaled 3.3 million at the end of this year.

Next page, the statement revenues and expenditures and changes in fund balance. This is a summary of that, in the report you'll see there's a reference to what page number you can find the detailed statement in the draft. This is a breakdown of all the-- Well it's considered a major fund and just to focus in on that general fund, there is the general fund that total revenues of 8.2 million, expenditures of 6.5. Other sources uses 1.1 million and then a total ending fund balance of six million.

Total net change of 689,000 and it's stated at the bottom, this is previously stated on the previous page, the unassigned fund balances and the general fund is just over 6 million. That's very good, healthy fund balance. Next page, a chart to help you kind of see the breakdown of the governmental activity and revenue. Some higher bullet points here, the governmental total revenue was 12.6 million, off that, charges for services made up 846,000. Property taxes were 1.8 million. Sales taxes just over eight million and hotel occupancy tax is just over a million.

Next page, the expenditure breakdown, also giving you graft, kind of get a visual here of the makeup. The total governmental expenses were 9.7 million. The largest of that makeup is-- general government is 3.2, public safety is 2.6 million and the public works is just over two million. Next is our schedule of revenues, expenditures and changes in fund balance. This kind of gives you your budget to actual -- So this is going to breakdown your total revenues, you have-- Positive variance of 986,000. You have a positive variance on expenditures of 210,000. Then you have revenues over expenditures of 1.1 million. You give a total positive variance of the 741,000. That's assuming you guys were able to accomplish everything that you guys set out to do for the year. This is a very great budget, and we're able to stay under budget.

Next page, this is for the water sewer funds, saving the revenues expenditures and changes in net position. Just a quick recap, the total revenue is 2.7 million, operating expenses at 1.5 million, before any transfers, a total positive change of 1.1 million. You have an ending net position of 17.6 million. Next page is going to give you breakdown of the changes in the net pension liability. This is related to TMRS. This is driven by that and this presentation here comes straight from TMRS. This is a disclosure. It presented a couple different ways within the report but this one is specifically from page 59 of the report. It is gone to \$3.8 million total net pension liability. This is a slight increase from-- or an increase from last year. The TMRS did changed their-- the right that use from 7 to 6.75 which due to inflation.

That changed the projection which that's being advertised over five years. It's not a hit all at once but that is something that all cities are seeing, it's an increase across the board. Noted down below, also right now City's current funded ratio is 65%, what's considered by Standard & Poor's as above average, and 80% and 90% is above average. You guys aren't too far off from that the bottom part of that range, just about 15% below that.

I know that just as an extra comment, that TMRS is currently being funded at a phasing rate. Maybe what I know a lot of cities are really beaten down on this right now, especially in a lot of larger cities. Just if you want to get close to that range, maybe you consider bumping it up to the full rate. That's one way you can kind of start to beef that up. Next page, Conclusion. If you guys have any questions over either the presentation or the report itself, I'm all ears.

Councilmember Raymaker: The six million dollars under the general fund is that considered reserve funds?

Louis Breedlove: That's a-- you know and it says, it's not like it's not going to be your cash, it's going to be your-- and then after you kick in consideration all the change in the year, all your assets and liabilities at the fund level, that would be the ending balance. It's not a reserve, to answers your question.

Councilmember Raymaker: Do we capture anywhere what the reserve funds are currently?

Mr. Smith: Yes, we do capture—is mine turned on? Then why is it not on, it's a green light? We do capture reserve funds. It's something that Jennifer puts in her monthly report what the actual cash on hand is each and every month.

Councilmember Raymaker: What's our current balance? Ballpark?

Ms. Calvert: I don't know, I'm sorry. There are so many numbers, I really don't want to ballpark--

Mr. Smith: We'll get it for you by the end of meeting.

Ms. Calvert: Yeah, I can get it for you.

Councilmember McLeod: I had a question on the pension liability. So this is a something I'm just trying to follow along, so if everybody to simultaneously retire or whatever, we would owe them a collective 11 million dollars? Is that correct? Then seven million of that, TMRS is covering. How does the pension liabilities strike up versus regular liabilities?

Mr. Smith: I'm sorry. What was the last part again?

Councilmember McLeod: I guess, how does-- I mean, we understand traditional liabilities, you borrowed money from somebody and you owe them that money or long-term debt service. How does a pension liability compare with those other types of liabilities?

Louis Breedlove: Right. So the breakdown-- the 3.8 million dollars is the net difference of-- so, the total pension liability, that is representative of what the liability is if everyone were to simultaneously retire. The plan fiduciary net position, that's what's been paid in by the city. That's where you guys are at with it and then, that debt is a net different, so that's what the remaining balance that would be. If you were trying to do a catch up right now, that would be what you would have to come up with. Obviously, no one's going to have a mass retire. And I think you guys are in in good shape, I've seen some cities with a percentage well below where you guys are at.

You guys are in a good spot. I know that this is a you see the news on and a lot of cities and so I know, this can be a hot topic for some people just knowing that is-- you're not going to have everyone retiring at once-- there's tons of time to come up with ways to get closer to that. I just throw one idea of way to kind of beef it up. Not that that's going to make a huge impact the following year, but it's going to slowly help narrow that gap.

Councilmember McLeod: Okay. This is treated as a big pool and right now, as our employees were funding each individual employee at the full rate going forward or--

Louis Breedlove: TMRS comes up with the rate for the city and then the city-- and it's different for every city. In the city has sometimes given an option to do a phase-in rate or a full rate. In this instance, the difference is not very much and the city also has option to pay way more than the percentage of TMRS set if you so choose, but there is a bottom line like you have to do at least a certain set of percentage. I don't know if Jennifer want to speak you.

Ms. Calvert: Yes, we are currently at a phase-in rate and Greg and I look at it every year. It's something that we've been in a phase-in rate for-- TMRS has had a phase-in rate for a couple of years. Greg and I do look at it. TMRS's-- are they a year and a half behind when they do the actual area variation?

Louis Breedlove: They're more that-- they're at a calendar year opposed to fiscal year that you guys are at.

Ms. Calvert: We try to take into account everything and we do talk every year about moving up. We do generally move up a little bit from the previous year but we have not hit the full-rate yet.

Councilmember McLeod: We're not contributing at the rate we need to for our current employees. I knew we were behind. It's what I understand--

Louis Breedlove: You're contributing at a rate that you need to, but you have the option to contribute more. The phase-in rate is the required rate that you have to pay.

Councilmember McLeod: Okay.

Louis Breedlove: Does that make sense? They give you more than one option so it's a-- but the difference between the two really isn't much. It wouldn't make a major impact. It's just something like-- what I mean, as far as the liability goes, it wouldn't make a major impact to the liabilities.

Ms. Calvert: This is working? Yes. They do give you a low phase-in rate, a medium phase-in rate and the full phase-in rate and typical, we do the medium phase-in rate. It does make a bit of a difference going from the different phase-in rates to the full rate. I don't have those numbers but I could tell you what it would be if we if we looked at all the rates.

Councilmember McLeod: Okay. Yes, I just try to make sure we were taking care of all of our liabilities and our people. Good, okay.

Louis Breedlove: Yes. The city's doing well. That liability is concerned to a lot of people so just do that as an extra.

Councilmember Frazier: You stated in your report that the health of the city-- financial health of the city is continuing to improve, correct?

Louis Breedlove: I mean, there's so many factors into the city that are doing great things for you guys. Property values are continuing to be as higher. Sales are going up, everything across the board has been. So revenue is continuously increasing and you guys do an amazing job at budgeting out your expenditures. I mean, you guys are in great shape. Any other questions?

Mayor Wheeler: I think that's it, thank you very much. Appreciate it.

Louis Breedlove: I'll be ready to do it again here in a couple weeks.

6. Discussion and possible presentation by the involved parties regarding the annual fire service fees for 2017. (26:33)

Mayor Wheeler: Okay. Let's move on to item 6 which is discussion, possible presentation by the involved parties regarding the annual fire service fees for 2017.

Mr. Smith: Okay. Council, as you recall during the budget workshop, we budgeted the full 5% increase, as was allowed by contract. The township has elected to purchase three fire trucks. They are allowed to recoup their money for capital purchases underneath contract. They are requesting an additional about seven percent increase which is a difference of about \$40,414 from what we have budgeted. There is some time constraints for us giving them notice yes or no. In addition to this, they have done their true up. Jennifer, what is the true up numbers that they gave us? Because it may actually-- every year we true up and what we budget may not be what we actually pay.

Ms. Calvert: They have a rough estimate of what the true up number is for the share, and he says that he thinks it's going to be negative 2.7%.

Mr. Smith: We will be right at budget with the negative 2.7 true-up cost. But this is a contractual obligation that we have to approve since I have requested the rate increase and so staff's recommendation will be at the end of the month that we do approve this rate increase. Net cash to the city with a 2.7 decrease in true up it will really not cost us any additional money that we don't have budgeted. I know one of the questions is probably where are the trucks going, and with the Woodlands Fire Department, any truck can respond to the city at any given moment. If a truck that covers Creekside happens to be going to training, and they are the closest truck to Shenandoah, that truck that is normally assigned in Creekside would run the call in Shenandoah. One of the trucks that is being replaced is ladder 101 or truck 101 which is a primary response vehicle into this city.

Councilmember McLeod: A couple of questions. Reading this it sounds like the first time we heard about this was when we got our bill in January. Is that right? Do we get a formal letter at some point saying how your bill is going up?

Mr. Smith: Jennifer?

Ms. Calvert: No, I get it when they send the invoice. That's when I get the notification that it's going up.

Councilmember McLeod: Okay. I just noticed the date on that. Next thing is we are looking at a 12% increase but a two percent re-rebate or true up, negative two-- that sounds to me like a 10 percent.

Mr. Smith: Okay, I'm sorry.

Councilmember McLeod: There's going to be some significant dollars difference between what we budgeted. Right?

Mr. Smith: Yes, there will still be a difference I apologize. We budgeted the standard five percent they are asking for another seven percent. We have 2.7 percent that covered with the true up, so there will be an additional five percent increase. I'm sorry I misstated that.

Councilmember McLeod: Okay. Check them out, so about double what we budgeted.

Mayor Wheeler: When you say double-

Councilmember Houston: 10% brother.

Councilmember McLeod: We're double 5 percent --we budgeted five percent

Mayor Wheeler: An increase a double--, okay I thought you meant total cost.

Councilmember Houston: I guess our contractual agreement only is whether we pay them or not. We have nothing to say about what trucks they buy, or when they buy them and is there-- we can't even communicate one, three all at once or they can't.

Mr. Smith: It is their equipment replacement schedule just like we have equipment replacement schedule, and some of their vehicles are going to that point. I know one of the trucks they are discussing purchasing is a different style of truck that will give them a better response in tighter areas. They are actually looking at doing a different type of ladder truck than what they have existing that would actually-- my opinion enhance their ability to respond to tighter areas when they need to get aerial coverage.

Councilmember Raymaker: I guess what I'm looking for is do they ever do any kind of disclosure in advance to say, okay, this is on a schedule, we are planning to buy a new truck, new trucks, kind of giving us some warnings so that we might budget differently.

Mr. Smith: They have not. I can tell you this the first time in the entire contract that they have bought new trucks and asked the city contractually to pay for any of those. I will reach out to the president of Woodlands Township and ask them to give us some advance notice on what they feel next year is--we have a better idea of what to budget in June and July.

Councilmember Raymaker: It would be nice to have that guidance.

Mr. Smith: Yes, I will ask that from Don and I feel certain Don and the fire chief will give us that information. I believe this is year six or seven and this is the first time we've had any equipment, large truck equipment that has been purchased.

Councilmember Houston: I don't think anyone is against making sure we have the right kind of equipment, or they have the right kind of equipment, so is the area. it's just I agree with Ron it would be great to have a little bit heads up especially around budget time so we can accommodate in anticipation to that. That would be a good thing.

Mr. Smith: I will request that and--

Councilmember Houston: We are not complaining about the equipment -- we just like a little bit--

Mr. Smith: Little bit of notification.

Councilmember Houston: Little bit of notification. Yes, sir.

Mr. Smith: Not a problem.

Mayor Wheeler: Anybody else?

7. Discussion regarding water rates. (32:36)

Mayor Wheeler: Okay, let us move on to item seven which is discussion regarding water rates.

Mr. Smith: Okay, Council has a follow-up from our workshop that we had strictly dealing with water rates, council asked for two different items to be presented. The first one is how the water bills rank by the amount of gallons or per units that they use. 9.7% of the residents get a 4,000-gallon water bill. This is for the full-- a full 12 months. Number two is 5,000 gallons and then the third is 3,000 gallons. You take the top three, you are at 9.7%, 9.4, 8.6, so you are nearly at well over 30% or excuse me not well over just below 30% of the utility bills for residential are four, five and 3,000 gallons. From there they drop down to 6,000, 7,000, 8,000.

Number seven is the 2,000 gallon and then-- the eighth is 9,000 and then number nine is 1,000 gallons at 4.4 and then rounding up the top ten is 10,000 gallons at 3.8. I do believe that the information that we presented during that workshop is still pretty accurate and the rate increase that we need to consider. The other item that council requested was, what does it actually cost us to give you a water bill? One dollar and 45 cents. That's what it costs to give a water bill.

That is taking the utility billing cost plus adding in items that are not covered in the utility billing department divided by the number of bills. It is basically 1 dollar and 45 cents per month to produce the water bill. Does council want to go over the power point? Just so we can-- now since we have that additional information go back and see the numbers that we presented to you during the workshop.

Councilmember Raymaker: The reason that we need the rate increase is to pay for the new water projects. Correct?

Mr. Smith: The new water plant project and then if council agrees the other couple of projects that we have discussed.

Councilmember Raymaker: I'm just going to throw this out here because it is relevant to the reserve question. If we have sufficient reserves why would we borrow instead of just paying that project out of reserves? I'm just asking that question.

Mr. Smith: It's a legitimate question. One of the things you want to do for your reserves is saving for the unknown expenses and we have had those happen in our water system. If you would lose a well and something would go happening, you have to have a million dollars to rehab a well. Kathie, while I'm talking about this can you pull up the agenda pack for me? You want to have those cash on hand to handle those unanticipated repairs that you have. We certainly-- I think with taking in the reserve account we could pay cash for this project but we would be then putting ourselves at risk if we had something else happen that was unforeseen.

Councilmember Raymaker: Thus by knowing what's in the reserve fund is relevant.

Mr. Smith: Yes but we're-- yes. Here is where the 2017 reserves is estimated to be 3.18 million dollars. Okay? That's what we have a fund balance of. Now, that does not include paying for the million plus well that we already paid for in this year so, this is well below probably right at 2 million dollars. Jennifer is going to get that information, so that we can have that for our discussion.

We're at about 150 days, so here is all of the different projects that we have paid cash for in the past, totaling nearly \$2.3 million since 2011, so yes, we've used a lot of cash, but we've also done a lot of projects to keep the water and sewer system up to speed. The other thing you have to remember about water and sewer is it's both. Right now, our sewer plant is in pretty good shape. That doesn't

mean that we wouldn't have a new TCEQ regulation come down, that could potentially cost us \$1 million or \$2 million to keep up to the TCEQ standards, so the dollar amount we're looking here includes your water system, as well as your wastewater system, they're both interconnected.

When you look down here, you will see a list that is fairly equal between the water side and the wastewater side. So here's where the debt service is coming from, the water plant is 2.5, we have a couple of loop lines that come right at about \$500,000, all on the south side, towards the hospital and the medical community, so we have a total identified of \$3 million. This is your debt schedule of 2.5 and \$3 million, so using the max, which is the best way to do it, it would cost us \$200, if we did it on 15 years, \$255,000, if we did it on 20 years, it will cost us \$214,000 a year to pay back that debt service, at the full \$3 million.

Councilmember McLeod: What's the current interest rate that we're looking at?

Mr. Smith: I will get that for you, I believe it's in the presentation, I don't remember what they—

Councilmember McLeod: Yes, I can get it somewhere, I just--

Mr. Smith: It is with the debt schedule. This is the consumption by units, both residential and commercial, for a three-year history. You do see that we have gone up from 13, 14 to 14, 15, 5%, and went up 7% from 14, 15 to 15, 16. The way we have this budgeted and presented to you is a no increase in water consumption, we are going conservative on every side of this project. We just said no growth is projected in the scenarios, we know we will have growth, it is facts we will have growth, but if we have a wet summer and consumption comes down, and you budgeted for growth, now you have an upside down situation, and you're not bringing in the money that you once thought you would.

The rain increases for water owner, we are not doing anything to the sewer side of the rate. If we just did a simple across the board for the three million, 80 cents or 67 cents would be the average, 81 cents and 68 cents would be the max that we would do, and this is across the board, everybody pays the same amount, from commercial to residential.

As we've explained to council in the past and during every budget workshop, 65% of our water is used by commercial users, so what we have done is we have taken that same breakdown and applied it to the rate increase. The rate increase for the commercial would be 97 cents per unit or a thousand gallons, and 82 cents for the 20-year note.

The bringing it down on the residential side, 52 cents for a 15-year, and 44 cents for a 20-year, doing it on the 65, 35 split and then here is an actual bill, this is a \$2.5 million, and you see that the current residential bill would go from 9 dollars to \$10.29. If we went out to 20 years, it'd bring it to \$10.11 cents and then you see the individual tears, three to 5,000 gallons, it would go from two dollars to \$2.43, and then 2.37 for the 20-year, and you can see those carrying on down.

Did the exact same model, using the \$3 million debt service schedule, and you see it goes from nine dollars currently to \$10.56 if you did the 15, \$10.32 if you did the 20-year note, and then your tier rates go from \$2 for additional thousand to \$2.52 and \$2.44, respectively of the 15 and 20 years.

Then we did the commercial as well. Commercial is much harder, because you have so many different variables on the meter sides, it's the way those commercial -- so we won't go into all of those, unless council wants to. You go back and you do the comparison, and these are as of February, October this year, or last year, October 1 of last year, which is our beginning of our physical year. If you do the

recommended, our water bill will be a grand total, including the Lone Star Conservation District and the Groundwater reduction plan, currently it is \$10.98, it would go to \$12.30.

The Woodlands and MUDs, for the exact same water, is at 18.05, Conroe is at 29.33, Montgomery is at 23.41 and Oak Ridge North is 21.71, so we will still be nearly six dollars a month cheaper on a water bill at 3,000. Then you can see them at 7,000, 25, 39, 42, 41 and 50, 10,000, \$30, 35, 56, 59, 57, 72, and then all the way up to 20,000, so, if you look at our water consumers, we would be between the three and the seven, is going to be the majority of our users, where that would hit, on an average of a monthly bill. Certainly, some months are higher, some months are lower. We would still, with the rain increase, have the lowest water bill in the area. This is also taking into effect that the Lone Star fee that we have to pass on is not being passed on right now, and it would not start until October, so we would be paying that fee for our residents to October the first and then you see the 2.5 million, same comparisons, and then the commercial comparisons.

Now, when you go to commercial, our bills do go up higher, but they are using the majority of our water, and so we are actually proportionally putting the amount of water used, the burden on the person who's using the water and then you see the other -- all the different comparisons that have been online. If you want me to stop and look at each one of these, we can and go through, it's up to council and that, but for time savings, I'll continue to go through.

Councilmember Raymaker: I'm more curious personally for the amount that's borrowed, how much we spent for the financing under those rate ranges, the 15, 20, 25.

Mayor Wheeler: \$5,300 a month for roughly over 20 years. If you borrow \$3 million and you do a payout schedule over 20 years, it comes out to, I don't know -- it was like 1.3 million or something, you divide that up over 20 years, then divide that up over 12 months per year, it comes out to \$5,300 a month. I got to tell you, me personally, if I could keep \$3 million in the bank, which we don't have, but hypothetically speaking, if we could keep \$3 million in the bank, and pay \$5,300 in order to have our money in the bank and borrow somebody else's, I'm all over that.

Mr. Smith: Jennifer, do you know what our current interest rate would be for this debt service, approximately?

Ms. Calvert: I got to go get the schedule.

Mr. Smith: Will you, please? I thought it was in the PowerPoint. I think it was in the supporting documents, not the PowerPoint.

Mayor Wheeler: 1.279 or 1.280 million, basically. Just shy of 1.3 million, but that's on a 20-year note. If those numbers are accurate, I'd just use the 20-year payout, total of payments.

Mr. Smith: She'll get the exact report from--

Councilmember Frazier: One thing to think about too is just-- is one, our quality of water that we have, compared to-- we don't have any surface water, or our well water, and we didn't have to buy-- the amount of money that we've saved over the years of building a well in Panorama Village, we're still saving money in the long run, by paying.

Mr. Smith: These fees are pretty comparable. If you look at the groundwater conservation district and the groundwater reduction plan, for 3,000 gallons we're paying \$1.98. Woodlands Muds are paying \$7.86, Conroe is at \$8.78, Montgomery is nearly at \$5.16 and then Oakridge North is at \$8.25. There is some really large savings on us not joining the SJRA plan because all of these cities-- Montgomery

may be a little bit different because I think they ended up doing some Catahoula project on their own with SJRA but doing the Catahoula in Panorama saved us a lot of money.

Mayor Wheeler: I think Ron's -- I think that's all very valid. I think that Ron's point was -- at least I'm going to talk about is should we borrow the money or should we pay for some of it in cash if we have reserves. Is that what you're saying?

Councilmember Raymaker: Yes. I would just like to have the comparison.

Mr. Smith: The 2.5 15 year, borrowing \$2.5 million, you'll end up paying 3,148,450, so \$3,148,450. If you do it to a 20 year, that same -- you're borrowing \$2,500,010, you pay \$3,525,550. Going up to your \$3 million. You borrow \$3 million on a 15 year maturity, you end up paying \$780,400 in interests, for a total of \$3,780,400. You carry it to the 20 year, you end up paying \$1,212,650 interest and you have a total cost of \$4,212,650. Interest rates. The average interest rate on the \$3 million for 15 years is 3.06%. 3.52, if you go to the 20 year maturity. 3.06. It's the same interest rate whether you do \$2.5 or \$3 million, there's no change in the interest rate. What is the cash balance for water and sewer after paying the well? Because I know we paid most of the well.

Councilmember McLeod: While we're here-- while we're having a-- I do want to address and I guess I've talked about this a little bit and that's why I asked about how much the-- just having a service cost. We figured it out, \$1.45. Based on that, we're charging \$9.00 for that first 3,000 gallons. That works out to \$2.52 for 1,000 gallons. We're actually charging people those first 3,000 gallons at a much higher rate until you exceed 10,000 gallons. The 10,000-15,000 gallons, our rate is currently tiered at \$2.75. The first 3,000 gallons, we're actually charging people at \$2.52 per 1,000. That's a part of discussion that I was looking at wanting to bring up here. If we can reduce that initial 3,000 gallons from nine dollars to 7.50.

Mr. Smith: You certainly can but when you talk about borrowing this money, if you borrow the money, your increases are going to have to go up because the reason why the base amount is that is to help cover all the other costs associated with your water and sewer system. You asked what it cost just to create the bill, that doesn't include what it costs to operate the water system.

Councilmember McLeod: Operating the water system, I was thinking it was taken care of in the water-- in the actual cost per 1,000 gallon, we've broken that out. I know there's a-- we've got meter reading in that, right, we've got postage. The costs for maintaining an account, I guess, is-- was that \$1.45, is that correct?

Mr. Smith: Yes, but that does not include any maintenance on the water system.

Councilmember McLeod: That should be wrapped up in our water fees.

Mr. Smith: It is but when you start reducing your base bill, it is going to skew your numbers across every one of these tiers. Where you have a \$0.43 increase on your tier there that could end up becoming a 75% increase to make the same revenue based on the model. Does that make sense?

Councilmember McLeod: It makes sense. I was just pointing out that we're charging those first 3,000 gallons at a much higher tier than the 3,000-5,000 is almost a discount rate and then then 5,000-10,000 even is still lower than those first 3,000 gallons.

Mr. Smith: Yes.

Mayor Wheeler: There's a fixed cost assumed in there. Those people that are using 10,000 are also using the 3,000. They're paying that first 3,000, they're paying that fixed assumed cost and then from there you have your variable after that based on how much water they use. You're going to have sort of a foundation. It's just like any business.

Councilmember McLeod: That's what I'm trying to get at.

Mayor Wheeler: You have a fixed cost that you're trying to get above before you hit any kind of a net profit.

Councilmember McLeod: That's what I'm trying to get at, that's why I've been asking this question.

Mayor Wheeler: What is that fixed cost.

Councilmember McLeod: What is that fixed cost. What is our cost just to -- Joe down the street has water service and has a fee associated with it.

Mr. Smith: We asked for it. The way we presented it to you was as what it cost to produce the water bill, not what it cost for somebody to have a customer. We did not take in the water and sewer meter replacements that every so often we have to replace meters. The two waterlines that we had failures on. All of those are figured into the base bill and if we don't take that in consideration in setting your base bill, you're going to end up running into a problem very quickly on your base bill because that \$1.45 is what it takes the city to put a water bill together and get it to you, not taking in consideration what the base water system cost. It doesn't include electric for the wells.

Councilmember McLeod: Well, again, electric for the wells, I would assume would be relevant to our per 1,000 gallon cost, I mean our water cost would be-- the cost of producing certain

Mr. Smith: Yes. It's the fixed cost that the Mayor was talking about and that cost has not gone up since 2011 or we have been able to manage that cost in our rates as we've had it. We've not had a rate increase since 2011, even in that base rate.

Councilmember McLeod: Again, that's what I'm trying to figure out. What is that fixed cost. What is that base rate?

Mr. Smith: I do not have that for you tonight.

Councilmember McLeod: Okay. I'm just trying to get a handle on that. What's that base rate really and what we're paying for in usage fees versus absolute fix, that it just doesn't matter. This person doesn't use a drop of water, it still costs certain dollars.

Mr. Smith: We can certainly come up with it. There's going to be a certain amount that is debt service.

Mayor Wheeler: I guess you can look at it like this. Let's say, I decide I want to use 10,000 gallons of water, so I'm going to pay my first 0-3, then I'm going to pay 3-5 at \$2.00, then I'm going to pay 5-10 at 2.25. That's what my bill structure is. If you tried to set up what your fixed cost was based on me using \$10,000 [sic], what happens when all of a sudden one day I decide, "You know what, I'm using way too much water, I need to cut this thing down this thing down to 5,000 gallons".

Then 5,000 gallons -- yes, that would be a lot of water. 5,000 gallons of that fixed cost. What we assumed would be a fixed cost spread out all the way across that 5,000 gallons, we would no longer

be able to bring in. We can only guarantee that we can bring in that first 0-3,000. We have to charge each user that fixed cost based on them using that 0-3,000. Does that make sense?

Councilmember McLeod: That's exactly what I'm trying to get us to get a handle on, is fixed cost-

Mayor Wheeler: You just want to know how much that amount is.

Councilmember McLeod: -variable costs. That's right. Because there's stuff we can control when we have to. It doesn't matter. If we get the wettest summer around and nobody waters the yard, we've still got to have -- we still have operation costs.

Mayor Wheeler: We still have to operate the wells. That's exactly right.

Councilmember McLeod: We've still got to operate stuff. We've still got to be able to provide the services at less gallons of income-- If that makes sense. Gallons of income-- But yeah, I was making-- But I think everybody's on board with what I'm saying. So what are those costs that are absolute minimum to keep us operational versus what can we recover by effectively water sales?

Mr. Smith: We can certainly do that. But we did that five years ago and we built off of this rate study. All we're trying to fund is the additional debt service needed for the system. You look at our revenues, what our base bill has been set at has been accurate and has been sufficient for the past five years, that we don't need to get into that discussion, is what staff's thought process is, a council wants to reevaluate that? We can. But that was about a three and a half months study--

Mayor Wheeler: Do we still have that?

Mr. Smith: We have the outcome of it, we do not have the original data. So that's the way we presented this moving forward is that our base rates and our rates for what we need to operate the system, are sufficient. And now all we're looking for is a way to pay for this new well and these other two projects, or just the new well. So, Participant, to get to your specific question, we have cash on hand after paying for the well, about \$1.4 million.

Councilmember Raymaker: That's in the water fund?

Mr. Smith: Yes, sir. That's water and sewer. Water and sewer fund. So we are about \$900,000 short of doing the well. And then we have zero reserves.

Councilmember Raymaker: You can't use any reserves in any other fund that we have?

Mr. Smith: No sir. Well, hold on. Let me rephrase it. Yes, you can, but you will get dinged by the auditors because your proprietary fund should be self-funded by user fees and rates. The city used to subsidize the water rates with general fund revenues and we got written up in the audit every year. The council in 2011 made the decision we were no longer going to continue to do that, because it was dinging us on our audit and it was hurting us in our financial statements. And it could hurt us in our future bond revenues for the city and refinancing. I don't want to mislead you and say, "No", legally I think you can, but it does cause you other problems down the line. Now you certainly cannot use MDD money, CVB money. The only thing you could use is the general fund.

Councilmember McLeod: We could also create a loan to ourselves, right? You can't do that across funds? So you're saying MDD cannot be used to fund water improvements for water system? Is that what you said?

Mr. Smith: No sir, I didn't say that. What I said is you could not use MDD money to borrow against the MDD money, to pay for this project. The MDD funded the Catahoula water well in its entirety and I think if we tried to put any additional water and sewer issues on MDD, that would send up a red flag underneath the MDD guidelines that we're using MDD as our water and sewer department, not the MDD.

Councilmember Frazier: I think the information you're requesting is a little digging too deep, all of that information that you want, it is required-- That's the real total --

Councilmember McLeod: The copy is from the other stuff, yes. I just got the copies from 11.

Mr. Smith: I don't think we have the working document from 11. That's what I said, I think we have the output from 11 that was presented to the City Council, but I don't know if we have-- Derek, help me if you remember, if you have any of those documents, because Byron did that on his own. And probably, if I remember correctly, that was estimated to be about a \$10,000 expense to the city if we would have outsourced that.

Derek Wind: That's correct. I do not believe we were involved in the original rate study.

Mr. Smith: Yeah, it's about a \$10,000 expenditure to get into that detail. So moving forward, council, we're talking about doing this rate increase, we're talking about it not going into effect until October. How does council want to proceed because we are out for bid right now. I believe those bids will be back and be presented to you in April as discussion and then possible award in April. Is that still the timeline, Derek?

Derek Wind: Yes.

Mr. Smith: That was a "Yes" from Derek, if you didn't hear him.

Derek Wind: Right, we're actually advertising tomorrow, so three weeks from now, we'll have bids and then we'll be presenting in April.

Councilmember Frazier: Well anybody heard me, I said 35/65 is my thought.

Councilmember Houston: I think that the charts identify that we're in pretty good shape in comparison to other folks, other cities, other municipalities since they have their water rates much higher than ours even with our increases. And we have little opportunity to control a lot of those increases. Also coupled with the fact that we have the water being charged at the user. Situation with commercial using most of water and they're paying for that portion of it at a greater rate. I think we have very little choice. I think we're doing well by was just moving it out to October. I think we just need to move forward with it and proceed.

Mr. Smith: Okay. There's a couple specific questions. A \$2.5 million or the \$3 million? Do we want to try to take care of those two loop lines in a half a million dollars and get it all rolled in since it's a pretty low cost of borrowing money?

Councilmember Frazier: Well, correct me if I'm wrong. Whenever we do loop lines, all that does it helps increase the pressure if say, there's a fire over here and part of the line is taken down over here. You have a loop line, you have continuous pressure. I mean, it helps with the pressure all over, is that correct?

Mr. Smith: It helps with every aspect of the water system. Helps with pressure, it helps with redundancy, it helps with isolation. If you have a line break, it truly helps in every way across the board. Certainly, pressure is part of it, but pressure has never really been a problem for our system. Our pressure is so high that we actually have to be careful when we open up interconnects that we're not pushing water into our neighboring systems. So, \$3 million? Is that what I hear the general consensus from the Council? Do you want to go 15 or 20 years out on the debt service?

Councilmember McLeod: 15.

Councilmember Frazier: 15.

Councilmember Houston: 15.

Mayor Wheeler: I had to tell you, at 3%, I'm looking pretty good at 20. I mean, I'd almost--

Councilmember McLeod: I thought 20 was three and a half.

Mr. Smith: Yes, 20 is 3.5 too, you're right.

Councilmember Houston: Yeah, 3% at 15.

Councilmember Frazier: What was the difference, Ritch you said?

Councilmember McLeod: Half percent, right?

Mayor Wheeler: The total cost? Yeah, it's a half percent. I think it ended up being about 500,000 over 20 years. That's the difference between 15 and 20.

Mr. Smith: So I'll give you \$3,780,400 as your total payments for a 15-year maturity? \$4,212,650 is your payment over a 20-year maturity. So it is right at \$500,000.

Councilmember McLeod: My only thought was the replacement time. I mean these are 15, 20 year plants, right?

Mr. Smith: Oh no, they should be 30 plus year plans.

Councilmember McLeod: Okay, so we're well beyond-- I mean, that's always my concern is where you're still paying for something that's broken.

Mr. Smith: I'm good with 15, Council. I have no problem with 15, I like the shorter term debt. It's not that much money in the grand scheme of when you're talking about debt. Okay. We will present to you the debt service for \$3 million on a 15 year and we'll get some good numbers and get our financial advisers to get that ball rolling that's the first part of this process that has to get going. I think we can also put out that there is a possible rate increase, I do not think council needs to vote on the rate increase immediately unless you wanted to have that information out there way ahead of time.

I think if we issue that information in June you're still given residence or a four month notice. I think we can put out that there will be a rate increase to pay for the new water but I don't necessarily know that we need to vote this month on the rate increase. If you want to, we certainly can.

Councilmember Teague: My concern was on the how we are communicating this to our residents and when. If we have a schedule of elongated time for them to get the information whether it'll be social

media, letters, water bills notifying them, we need to set up some sort of schedule so it's an elongated notification for them.

Mr. Smith: We certainly can do that. We can put together a timeline of the notifications and then we can back into the date that the council wants to make the final decision, but I do think the reason for October, whether it's October, November, December, is you're starting the rate increase when the water consumption is less. You certainly do not want to start a rate increase in June or July when their usage could be three to five times higher than what it is during the winter months.

Councilmember Houston: I like that idea of giving some notification early, but when you do that you are going to probably have to give some indication of-- The first question being how much rates are going to be increased. Some range probably should be identified if possible.

Mr. Smith: We will get that once we get the current debt service numbers because these were dated in January for this preparation. Once we get the updated debt service numbers then we'll be able to get a pretty finite rate increase narrowed down.

Councilmember Houston: Good thinking.

Councilmember Raymaker: Would we have anything prior to the town hall meeting so that we can start speaking about it then?

Mr. Smith: No, sir, and you'll hear me discuss the town hall meeting I think we are at our two hours on our town hall meeting already with other things that have previously come up but we will get to that during my comments tonight. I can tell you this, the rate increase would not going to affect until we have the next town hall meeting so we can certainly hit 'em at the spring town hall meeting and there's nothing that says we can't have more than two of those a year. I mean, they've been very well attended so we may decide to have one a quarter. If that's the case, then in the middle of the summer we can have another one and this can be one of the major topics. I have no problem with that.

Mayor Wheeler: Anybody else? Okay good discussion. Let's move on to item 8, which is discussion regarding ordinances, farm animals and trash.

8. Discussion regarding ordinances: (1:10:48)

- a) Farm animals
- b) Trash

Mr. Smith: Okay. Farm animals, this was brought out by Councilmember Teague. Again, it comes from some of the social media that came out that people reported some type of farm animal in the neighborhood. Council, do you want to address farm animals in ordinances?

Councilmember Raymaker: I guess I haven't heard anything specific myself. Maybe if we had some history on what types of farm animals are out there and--

Councilmember Frazier: Chickens.

Mr. Smith: I think our last concern was raised about chickens.

Councilmember McLeod: What's the ordinance currently say in the last -- any limits? because I know dogs had to be registered and--

Mr. Smith: I don't think we regulate chickens or anything currently. Domestic animals, yes. We do have number of dogs, number of cats, but we're talking specifically farm animals. Can you have--

Councilmember McLeod: Can you have three cats and up to 64 chickens?

Mr. Smith: Yes. Pretty much. That's exactly right Mike.

Councilmember McLeod: I think we need to tighten that down a little bit.

Mr. Smith: It's just something that was-- Jean, I'll let you interject, since--

Councilmember Teague: Thank you. It was brought to my attention and we were talking about ordinances and what we needed to look at and that was just something that I brought to the table. I have no issue with chickens or farm animals at this point but I do think that if it doesn't exist, we might want to look at it. It's just an awareness, it came to my attention. That's all.

Councilmember McLeod: Do we have some-- We might look at some examples of what other cities may have regarding livestock.

Mr. Smith: I can get you all that information if you need to--

Councilmember McLeod: Do we want neighbors with six cows in the backyard.

Mr. Smith: I think we have a unique situation. Most of our property land sizes will not accommodate a lot of farm animals, but I certainly think you could have several chickens, roosters and some smaller rabbits -- those type of animals in the city, I think we'd have a hard time with the six head of livestock in your backyard and most of our lot sizes.

Councilmember Teague: I think the only concern that we address as an ordinance is related to noise, if the farm animal makes noise that is disruptive to neighbors. Roosters would be an issue--

Councilmember Raymaker: Parrots and cockatoos?

Councilmember Teague: Well, those are not farm animals.

Councilmember Raymaker: I know they are not farm animals but they are very noisy [laughs]

Mr. Smith: Good point.

Councilmember Raymaker: Dogs.

Councilmember Houston: I tend to agree that if there's an issue with-- I don't know why it can't be covered with our noise ordinance. If there's an issue with that it doesn't have to pertain specifically to animals, but I mean there's got to be a reason for it. If there is continuous noise at five o'clock in the morning or midnight, then you've got a noise ordinance.

Mr. Smith: I think our noise ordinance deals more on decibels and I really don't know how you would track a decibel level of a--

Councilmember Houston: Maybe we need to look at that, at the noise ordinance then.

Councilmember Teague: Noise ordinance also is specific to time.

Councilmember Frazier: Isn't there something in there about nuisance or something like that? Barking dog that I put with for 22 years next to me was a nuisance, but I couldn't do anything about it.

Mr. Smith: If council wants to, I can certainly get some more information on what other cities have and we can bring that back and discuss, because this is one of the situations that you won't have a problem until you have somebody that does it and you have six [unintelligible 01:18:46] neighbors coming up to you complaining every council meeting that this is a problem and then you're in reactive mode not being proactive with it. I know that's what we are trying to be with some of these ordinances is getting proactive not reactive to when we have a problem. Okay, the second--

Councilmember Houston: I agree with that I think there are some things that we can be reactive to and I'm not sure a chicken is one of them, that's all. But I think it's a good idea to get documentation, some information from other municipalities and let's see what that looks like. I'm not an over ordinance guy.

Mr. Smith: I understand. The second one is trash. This is now the second time we've talked about trash and I actually want to give you a couple of pictures of items that have occurred in the last 30 days. This mattress was placed out on the street Thursday. Trash day is not until Tuesday.

Councilmember McLeod: It was Tuesday afternoon.

Mr. Smith: Tuesday afternoon. I saw it on Thursday, I apologize. So Tuesday afternoon, after the trash company comes by, this resident puts this out in the yard and it sits there for seven days. Right now, that is totally allowed. This was not my complaint, this was by me driving around and seeing it. The other one I have, and this one just really cracks me up. "It's free, just pick it up." That's what the posted sign right there in the middle, I will zoom that in for everybody if you can't see it. I think everybody can see that. It's bode, this too was placed out seven days before the next trash day. This was placed out on a Wednesday when I took this picture. And we continue to have more and more and worse cases of this type of placing items out to do this.

My question to the council is, do we want to regulate this? We've had discussions about and there's been discussions about you put your trash can out the day before, two days before and the trash can has to be brought back up to your house that afternoon, no later than 24 hours. You have the right to pass an ordinance that says trash can't be put out prior 24 hours before pickup or whatever time you want to allow it. And then, if you pass an ordinance, the police can go by and tell them they either need to get it behind fences or they start writing citations.

Councilmember Raymaker: My recollection when I lived in The Woodlands was 24 hours in advance if something that was heavy trash goes out. And then, somewhere in the time frame of 24 hours, your trash bins go out of sight behind your fence or in your garage, wherever.

Mr. Smith: That is very common.

Councilmember McLeod: I'm not proposing throw out that-- We can at least tighten it up a little bit and no sooner than Saturday morning for a lot of people who work and cleaning, bagging the trash. And you know, no trash on the curb before Saturday morning. That would extraordinarily limit the exposure time without unduly burdening anybody who does weekend cleaning and weekend yard work and things like that. I thought we were looking into ordinance like that, that could be a way to greatly tighten it without totally creating a situation that you come home, people who work Mondays, that kind of situation.

Mr. Smith: It's whatever council wants to do. I can tell you from my perspective, I think there is a-- You could actually in some cases, get into a health hazard with this particular mattress. We have had windows placed out. Windows that have been replaced, an old single pane window. Multiple of them, four or five of them, leaned up against our solar street light placed out on a Saturday morning. Saturday, Sunday, Monday, Tuesday. Kids could get into them. And so we're-- Mike, I understand what you're saying. I do think we're getting into a larger issue here besides just these isolated cases, because those four or five windows, kids start taking baseball bats and being kids on a Saturday night, we now have glass all out the street and they're going to want us to clean up the glass.

Councilmember Raymaker: And on those weekends, that's when a lot of people are trying to make up their decisions about where they're going to live. And do you want to go to the place that has all the trash at the curb or do you want to go someplace where it's a little bit cleaner looking?

Mr. Smith: Good point, very good point.

Councilmember Teague: I wanted to also bring up that there is a negative effect, similar to the broken window syndrome. If your windows are broken, you're attracting theft and break-ins. So I wonder if allowing that much trash is also bringing in that negative effect to our city.

Mr. Smith: I would tell you, I think it does. Because these individuals that are-- I want to use this in the right terminology, people that go by and salvage. One man's trash is another man's treasure. A lot of those are very upright citizens that are really trying to create something great out of somebody's refuge. But you also have those that are not here for all the right reasons. And when they know they can come through and drive around and see what you have, that can create an element of crime that we may-- Let me rephrase it, an element of crime that we do not want in our community.

I just posed this question back to council because this these are two pictures that have happened in the last two weeks. And I can assure you, if PD or Public Works tells you, this happens almost every week somewhere in the city that somebody's putting large, bulky trash items out, five days plus before trash pickup. And it can be very simply solved, Ron, with your exact timing of 24 hours before trash pickup. So on Monday and everything has to be removed by Wednesday, which is 24 hours after our trash pickup on Tuesday.

Mayor Wheeler: One suggestion, I'm sorry. No, I was just going to say, these are tough ones for me because common sense tells you some of this stuff, but can't always take common sense for granted. Having said that, I fall into the category of Councilman Houston a lot of times. I don't want to over ordinance either. I mean that was-- I can vividly remember that was one of the reasons why I moved to Shenandoah, and I won't go into the details of the previous place I lived and what I thought about it, but it was one of the reasons why I moved here.

I don't want to be that city where we're trying to over ordinance and we turn our residence against us. So having said that, my suggestion might be rather than let's rush to put something on the next council meeting, where we're voting on something. Instead, let's put this up on a workshop meeting again in April. That will have given us time to all of us get out and talk to our residents and the people that we know out in the community and get their thought process, get their feelings on it. "Hey, what do you think about trash? What do you think about somebody having a chicken in their backyard?" Sorry, I don't mean to laugh.

And then circle back to maybe to the April voting meeting and we can look at some ordinances then based on some resident feedback. Hopefully, we will have had this sort of filter out into the community and some people come up and talk to us about it and tell us what they think about it. I

think we all would appreciate when residents come and they give us their input. I know for one that I don't always want to sit up here and just thrust my opinion into the situation. What I'd really rather just do is be a conduit for the voice of the people that we represent. And then that way, at the end of the day, whatever our residents say, that's what they want, that's what we did and that's what we can go home feeling good about. So that would be my two cents. Just letting you know.

Mr. Smith: I will tell you from my standpoint, there will be nothing before April.

Mayor Wheeler: There you go.

Mr. Smith: Because you're talking about crafting an ordinance that we need to get direction from council. Why reinvent the wheel? Let's look at some ones that are done. So April would be the earliest before this would come back on as another discussion of actually ordinance as it's written to where the residents see what it says. We can sit there, and it all sounds great until you put it on paper and you see how it gets implemented. Then we could totally different--

Mayor Wheeler: Maybe we have this on the April workshop meeting again so we can come back and talk about all the things that we heard from residents. And when we asked questions, what kind of answers we got.

Councilmember Teague: Can we also find out what other municipalities are doing too?

Mayor Wheeler: That's good, yeah. Just like Mike said, that's a great idea.

Mr. Smith: Yes, absolutely. And that gives us plenty of time, we'll draft two or three different versions of it so you guys can pick and choose and look at it. And then, also the residents get to see what it says.

Councilmember Houston: Also, if there have been some complaints registered to the police department or through your office, through staff, it'd be good to have some of that data also.

Mr. Smith: Yes, sir. I will get that for you.

Councilmember Houston: Okay, thanks.

Participant: Anything else on that? Okay. We will move on to item number 9, which is discussion regarding community signs.

9. Discussion regarding community signs. (1:26:23)

Mr. Smith: Kathie, will you pull up the map for us? Council, I'm going to go ahead and stand up. So, Joseph, if you'll come, we actually have a couple mock-ups of what the new community sign could look like. This is the more expensive sign. That you can see, all we did on the S was just put a sticker and engraving it so you would see sides. Nobody is going to actually engrave that for us, but you can see it's got a much more three dimensional look than this one.

The other one, this would be powder coated black. They actually look the same, but as you can see that it's not quite as three dimensional as the other one is, because it's not quite as wide. It's actually a little bit narrower, but you can see how easy and much more efficient the new signs will be when staff has to go put out signs. That's it. The bottom sections or where the engraving or stickers will go, the engraving actually it looks like this. Now, it would be black and just that would be a raised white or a raised silver look and then the background would all be black.

And then the bottom is where the directional sign that say whether it's park or it's to the pool or it has our web address is what it would be. That's what it would look like with both of them. We did want to get the mockup so everybody knew what they were going to look like and you can see the construction. If you take a baseball bat to this, you're going to know you took a baseball bat to it, a lot more than the ones we have right now. This is very expensive. This is very expensive compared to the other version and we will get into some of the costs here in just a second, but we did want to show you the mockups of the way they're doing it.

This one has these brackets in between where that one -- new one between the two manufacturers we have prices from. So, the only two -- The cost to do the engraving is \$200 per plate.

"Ouchie, wow" was right. You're talking a total cost, if we did all of them, of \$8,400. That's a lot of stickers and staff's recommendation initially to council was to do stickers, they would be traffic sign quality stickers, so they would be the reflective material and white with a black backdrop. We could replace a lot of those for \$8,400. I think that's where we would go. On the packet, what is up is on the--

Councilmember McLeod: Quick one. On the-- You also have a big sticker in the middle with that stylized S.

Mr. Smith: Yes.

Councilmember McLeod: Okay, just double checking that.

Mr. Smith: That would as well be the sticker. We tried to make this map a lot easier for council to understand, Joseph did a great job. The green are proposed signs that are being added. We're adding one at Shenandoah park. We're adding one on Vision Park and we're adding one at Grogan's Mill. The red are where we're removing them. We're removing the three on our sub-divisions right here. Council, if you recall we had a fourth one here, it was destroyed by vandalism and it never got replaced. We actually would be removing four signs and then we'll be taking one off Wellman Road because it would be covered by the ones at Grogan's and Vision Park. We're adding one to our residents on the east side and then also including our residents that either enter through Grogan's or Vision Park so our actual sign count--

Councilmember McLeod: We're actually adding two on the east.

Mr. Smith: Yes, I'm sorry. I apologize, I didn't go far enough. We're adding another one in front of Oak Haven. Yes, so I apologize I didn't go deep enough down. They're broken into three directional only. Notification and directional and notification only. Those will be the three types of signs that we buy. Then you see, respectively, where they're going whether they're directional or notification or both. You can see we'll end up having-- This was the cost of the plaques so you can see all the sign locations that we'll have. Going with the low bid, from the welder we'll be well under budget. Joseph, do you have those exact numbers?

Mr. Peart: I do. Including installation costs, it's going to be \$710 for TR Welding for each sign and with the Right Sign Company it would be just under \$1300 per sign. That also includes installation.

Mr. Smith: Almost half price to go with the little bit thinner one, but I still think a very good quality sign of what we want to do and then with our count we'll be well under budget. We're also going with these reduced signs. We're not doing the embossing. We would be able to change as we discussed last time. Every single sign, directional sign or informational sign will be replaced, including the three

here at City Hall. We have three of them here at City Hall, so getting rid of the embossing and going with the stickers, we'll still be under budget replacing every single sign in addition adding these other signs.

Councilmember Houston: Greg, what would the default look like on these signs?

Mr. Smith: The default would be nothing in them. It will just have the "S" like it does right now, without the "Welcome", so you'll just look through the sign and just see the "S".

Councilmember Houston: Good, okay.

Mr. Smith: But as we continue I'll say it's going to be less and less time where there's not something in those signs with the information, which is a good thing. I think hearing if council is okay, you'll see this come back to you at the end of the month with the final recommendation of the low bid with the stickers, with the count that was included in your package.

Councilmember McLeod: We're talking about that one?

Mr. Smith: Yes, but it'll be black. It's all powder coated. These are just mock-ups.

Councilmember McLeod: Right, put that one out, but that's the one we're talking about.

Mr. Smith: Yes, this is the one that would be and basically--This one is just thinner. It's just a little bit thinner right here, where this one is much wider so that's basically the only difference you will have in these two signs. Those both will be powder coated black and both have everything being the same except for basically the width right here.

Councilmember Houston: Can you pull that up?

Mr. Smith: Yes, I can. They made this one

Councilmember McLeod: That doesn't look like it has an "S"--

Mr. Smith: Because it's not a completed sign. We just asked them to do the--

Councilmember Houston: So the same thing.

Participant: Yes, it will look identical to that one, it's just-- Going back to the only difference between two signs when they're constructed is the thickness and the three dimensional look that that one has versus this one has. But you'll still have the "S" cut through and all of that will look the same.

Mayor Wheeler: Refresh my memory, what was the significant cost difference between the two of them?

Mr. Smith: Nearly double, 1300, 700.

Councilmember McLeod: Well, I like that one the more, I guess. Was there a breakdown on cost of install?

Mr. Smith: Yes, 300 for those and-

Mr. Peart: \$75.

Mr. Smith: \$75 for these.

Councilmember McLeod: Okay, that's quite a difference.

Mr. Smith: Yes, sir.

Mr. Peart: It does narrow that gap, because it'll be about 1,000 versus 630 if [crosstalk]

Mr. Smith: We are going to make him build us a full sign and we can ask him to have this sign completely done for example before we issue him a purchase order.

Councilmember McLeod: I would like that, I would like it.

Mr. Smith: That's why we brought this for you as examples. We just asked them both to build us a demo sign.

Councilmember McLeod: Okay.

Mr. Smith: Okay, so we'll bring it back and, Joseph, if you'll have him create a full demo before we award this contract to him. That will not come back to the council for vote until we have the full mockup.

Mayor Wheeler: Okay, moving on to item 10, discussion and possible presentation by the involved parties regarding park reservations.

10. Discussion and possible presentation by the involved parties regarding park reservations.
(1:37:26)

Mr. Smith: You see the pavilion rental agreement. The park committee has met and basically has come down to a residential rental of \$25 and non-residential rental \$35. The city attorney has approved that. Again, for the record, we cannot charge an enormous difference for public facilities for use, for non-residential versus residential. You can't charge \$25 and a \$150. It goes very similar back to the same issue when there were some concerns about the park being open to non-residents and we talked about putting a fence around the park.

We had a resident that came back and was very gracious enough to remind the City Council of what happened many, many years ago that I don't think anybody in the council remembers that actually federal funds were used in the park and we couldn't block use of the park. Rental times are recommended at two-hour blocks and they start at eight o'clock in the morning and go till eight o'clock at night. As part of this, they will be given two sheets of paper, one with all the rules as well as one that goes over what is expected in the pavilion. This will all be run by the police department and you can see that their application will also be copied and that will be their permit.

We'll actually write a permit number down and who it was issued to. All the reservations have to be made one day prior to their use. Somebody on Friday can rent the pavilion for Saturday. It doesn't have to be done out weeks in advance, it can be done that day. There'll be a daily posting of when the pavilion is rented and it will be posted at the park as well as real-time online, so people can see if they want to take a chance on a Friday afternoon. They want to have a birthday party, "Hey, nobody has rented it, okay, I think I'm good." They can do that, they'll be able to see that in real time what the reservations are.

Everything must be paid in person. We're not doing these online. One rental per calendar month per address. That is the way the park committee opted to regulate it to where we don't have a monopoly of the pavilion being used for one particular group. It is by address and they get one a month. They cannot stack time, so they get it for one-two hours. One person can't have a husband, a wife, and then the daughter come reserve the pavilion for six hours. They can reserve it once and then if nobody else has it, they can stay longer.

Councilmember Houston: I guess that's what I wanted to do to bring up. The way I understand it is you don't have to have a permit to use at all. You can go over there, if nobody is there, you can just go right there and use it. However, if you want to designate it for a specific time for the event, then you would need a permit, so there's no restriction on anybody using the pavilion. It's just if you want to designate a specific time for a specific event, that's when the permit comes in effect.

Mr. Smith: That's correct.

Councilmember Houston: Okay. That's what I thought, that's great.

Mr. Smith: They'll have to have a valid Texas ID and/or a water bill to require and show the home address. They've got to bring us one or the other. That will help guide us in whether they're a resident or a non-resident. The committee was concerned about super large groups coming out there, so the committee has added that no additional tents or chairs allowed outside the paved area with the pavilion rental. As well, they cannot take over the sidewalk. There's a sidewalk that goes right in front of the pavilion. That is not part of the pavilion, it stops at the end of the pavilion, not the sidewalk, so the rest of the residents or the park users, whoever they are, can take their dog and walk their dog and don't have to get off the sidewalk whether it's a dog, skateboard, bike, stroller, whatever it is. They can walk the sidewalk.

Councilmember Raymaker: Was there any dialogue around rain or shine? I'm worried about the arbitration of what was bad enough whether to get my \$25 back.

Mr. Smith: Yes, that issue we made by the onsite supervisor that day of the police department. If the police officer says that it's too rainy to use it, it's too rainy to use it. If they used it and then they came back and said, "Well, you know, it was too rainy", "Well, no, you actually used it, we saw you." We're going to let the online supervisor, whoever is on duty, be the responsible party. We're not going to argue over a \$25 refund. Somebody says they didn't use the park and they didn't use the park and it's not-- It's a bright sunny day and they say weather and climate, we're probably not going to buy it, but if it's questionable, if it was a little colder, then we're not going to argue over the \$25.

Councilmember Raymaker: I was just thinking about not to give you any administrative headaches about--

Mr. Smith: Whoever the on-duty sergeant it will be the one that makes that final decision.

Councilmember Raymaker: You have to look at the beginning of every two-hour window.

Mr. Smith: Not every two-hour window, but--

Councilmember Raymaker: I don't know, I'm just asking. Just had to ask it.

Mr. Smith: They know what the weather is during the day, because they're driving around the city all day.

Councilmember Raymaker: Okay.

Councilmember Teague: I have a couple of things that I thought we should consider with this is that the money that is collected from this pavilion rental be put into a park improvement fund, so that any improvements that are done to the park in the future or any future pavilions that we may find that we need after tracking the reservations, we have a little bit of a nest egg to start off with. I don't see that there's going to be that much, but I think it needs to be earmarked specifically to go back to the park.

Mr. Smith: There's no problem.

Mayor Wheeler: Yes, I think that's a great idea.

Councilmember Teague: I also would like to add that not just on the ID, but that they be an adult, 18 and over. They have to be responsible for any damage done-

Councilmember Houston: I agree.

Councilmember Teague: -so I think maybe we should make it an 18 and over.

Mr. Smith: Okay.

Councilmember Teague: Also, in order to just verbalize that the pavilion-- Somehow on the website, on this form, on the reservation sheet must somehow state that the pavilion is available for use for the general public and that the only reason to ensure availability reservations may be made. It's just for those who want to have a specific time frame. Other than that, if it's not being used, anyone is open to use it free of charge.

Mayor Wheeler: Yes, I agree with that and that's a good idea. That way people understand that you don't have to reserve it to use it, because it could be misleading. Not us but I can see where somebody would get confused.

Councilmember Houston: If it's not posted then you don't have to worry about it. You come to the pavilion and it's not posted it is for use that day, there's no reservation.

Mayor Wheeler: Right.

Mr. Smith: It's still first come, first serve. Somebody sets up and wants to sit out there for three hours, they can. That's their choice on how they do it. You're absolutely right. The pavilion is free of charge to anybody who wants to use it. First come, first serve. This is only if you want to have exclusive use for an event that you're having and you want to pay, and you choose to pay for the exclusive use, is when this comes into place.

Mayor Wheeler: We all get that, but it's just making sure that everybody else does.

Councilmember Teague: And it's specific to the pavilion only. Not the bathrooms--

Councilmember Frazier: We're charging a fee just because – and Ritch, I will pick on you since you have kids. If you want this time for--

Mayor Wheeler: My kid's birthday party, sure, absolutely.

Councilmember Frazier: That way, I don't decide I want rent it and then the time comes up and I'm, "Eh, I don't want to go", it's going to cost me \$25 if I don't do it, or you or whatever. I like that idea.

Mr. Smith: The second page that comes with it, it does go over the rules and regulations, it goes over the guidelines to renting the pavilion, the guidelines to using the pavilion and then it also talks about what is prohibited by ordinance. So they will get both sheets of paper when they rent the pavilion that will come as a two-page packet.

Mayor Wheeler: So I had a question, two questions actually. Let me start off by saying that I think this is great, I think the park committee did a great job coming to some sort of mutual grounds where we can come up with something. My first question is, it says on there that all reservations are posted daily.

Mr. Smith: Yes.

Mayor Wheeler: Other than the calendar, it says that on here, City to post a calendar, what different places will we post it to?

Mr. Smith: It's only going to be posted in the pavilion.

Mayor Wheeler: Just in the pavilion? Okay. Not necessarily anywhere in City Hall? Okay.

Mr. Smith: No, it will be posted online and it will be posted the pavilion. The police department every day will go and stick a sheet of paper in there, unless the default is that there are no reservations and that may be the way we do the sign just to say that, but they will be--

Mayor Wheeler: Yes, say no reservations and slide one in if we need to, I think that's a good idea.

Mr. Smith: Yes.

Mayor Wheeler: The second thing is, when I was reading through this, I didn't pick up on the one day in advance minimum and I also didn't pick up on what is the maximum amount of time you can reserve. Can I reserve my son's birthday party that is August second?

Mr. Smith: Yes.

Mayor Wheeler: Right now?

Mr. Smith: Yes.

Mayor Wheeler: Okay, and so, can I reserve it for his eighth birthday party, three years from now? I mean, do we want to put a calendar limit?

Councilmember Teague: It's a good point.

Mayor Wheeler: I'm just saying, most parks will give a one year limit, you can only reserve one year in advance.

Councilmember Teague: I just chuckled because we tried to think of everything--

Mayor Wheeler: I go to a lot of parks and that is just a kind of standard operating procedure, one year.

Councilmember Teague: Maybe 12 months. I would think 12 months, that's my feeling.

Mr. Smith: We can add it, 12 months, 12 months up to the day before.

Councilmember McLeod: Yes, I like that.

Mr. Smith: That's fine. So we'll add 12 months to the day before.

Councilmember Houston: What do we do for Sunday?

Mr. Smith: It's got to be rented by Friday for Sunday.

Mayor Wheeler: Last business day or something, yes. Well, it does say that reservations are only taken, what--

Councilmember Teague: Monday through Friday, eight to five.

Mayor Wheeler: Monday through Friday eight to five, so that sort of covers that. Once again, I think you have all done a great job, thank you for putting this together.

Mr. Smith: Now, I do also want to take note for complete transparency, the park has also defined organized sports and it is now defined, and everybody agrees with this definition, that organized sports are not allowed at the park and they are now defined here clearly. The park committee came up with two of the three issues with resolution and recommendations to the city council.

Councilmember McLeod: And we do want to point out that it is for the sports, if your football team or whatever wants to get together and have a birthday cake in the pavilion, that's perfectly okay.

Mr. Smith: Yes.

Councilmember McLeod: We're talking about actually participating in practices and that kind of thing.

Mayor Wheeler: So they can't practice football in the pavilion?

Councilmember McLeod: Correct.

Mayor Wheeler: Okay. Make sure you get that on record.

Councilmember Teague: I'd like to thank the rest of the park committee too for actively participating in this discussion twice, special thanks to them.

Mr. Smith: And I will tell you, some good things also came out about the park committee, we had several people that were unable to make the meeting times due to work commitments, but they were allowed to vote or give us input by email. We also set up conference calls. We set up a conference call and we had three people dial in and use the conference call option to participate in this committee. It was something new that we tried and it worked great, so that will probably become standing conditions on some of these smaller committees.

Mayor Wheeler: Good, great idea.

Councilmember Teague: Do you want to point out the toddler park recommendation or thought process too?

Mr. Smith: Yes, the toddler park, they're still working through and want to see some possible layouts of crosswalks. They think a hatched crosswalk may also help with the traffic, but at this point in time, I think there is a consensus that we're not putting up a fence.

Mr. Ferebee: We're going to be off topic, this is park reservations.

Mr. Smith: Oh, I'm sorry.

Councilmember Teague: It was mentioned in the background, that's why I brought it up, I apologize.

Mr. Smith: Yeah, sorry. It does say park reservations.

Councilmember Teague: Thank you, Bill.

Mr. Smith: I'll get that underneath-

Councilmember Teague: Administrative comments.

Mr. Smith: -administrative comments, yes.

Mayor Wheeler: Okay, great, let's move on to item 11.

Mr. Smith: Can we take a quick break before we go to item 11, because I think these next three may be pretty lengthy.

Mayor Wheeler: We will take an eight-minute recess and we'll be back here at eight o' clock.

11. Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution: (1:59:34)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHENANDOAH, TEXAS, ACCEPTING A PETITION TO CREATE THE METROPARK PUBLIC IMPROVEMENT DISTRICT AND CALLING FOR A PUBLIC HEARING.

Mayor Wheeler: All right, we'll bring the meeting back to order. We'll kick off agenda item 11 which is discussion, possible presentation by the involved parties and possible action to adopt the following resolution. "A resolution of the City Council of the City of Shenandoah, Texas accepting a petition to create the MetroPark Public Improvement District and calling for a public hearing." Clark?

Clark Lord: Good Evening Mayor, Council members, city staffs. I've met with each of you individually but this is first time I think I've addressed you as a body. Tonight is the first of potentially several or many actions for the next few months if the Council decides to move forward tonight with accepting the petition for the creation of this public improvement district that we've described to you. Tonight is the kickoff of that process and the actions tonight while not the most substantive of the actions that you will take, they do kick off that this process.

We can take the opportunity to go through again the basic structure of what this is, how it would work, if you want me to. I'm here at your-- whatever you want me to do if we can do. Just to summarize what we'll do tonight is, the developer of the tractive land, it's a single owner petition, has petitioned the city to ask the city to allow it to create an area that would allow this developer then to ask you to later on down the road, levy an assessment that would then be pledged to securitize bonds to build public infrastructure around the development of this project.

Tonight, we would be simply accepting that petition and then calling a public hearing that we would have in a couple of weeks to then hear about the creation of this district. Then we would have another public hearing on levying the assessment and then an action to actually assess the property and issue bonds to fund the public improvements. The other actions we're taking tonight again, are to allow the project's team to be selected to move forward.

We looked at several entities; an underwriter needs to be selected. An underwriter doesn't represent the city, they represent the investors. The city's financial advisor will be the key party for the city on advising that the details of the financing and we would use the same city financial advisor that you use today from Hilltop Securities.

Mayor Wheeler: Today we've been advised that this bond, this loan, for lack of a better term for the people out there and in the audience, we would not be liable for should the developer default on a loan. In other words, he defaults on this money or the company defaults on these monies, then the City of Shenandoah is not liable to repay this money.

Clark Lord: Sure mayor.

Mayor Wheeler: Go ahead.

Clark Lord: Yes. That's the fundamental question and let me reiterate for all the Council members and for the public the basic fundamental aspect of how this works. The developer is on the hook for the assessments there that operate like a tax, but it is not a tax. Liability for paying that assessment runs with the land. The city's only liability in the project would be to collect that assessment and if the assessment for whatever reason, were not paid on time and then all of the backup measures of lenders and other people involved not paying that assessment when due, to pay the ultimate bondholders, the city would be obligated to foreclose on the property to collect enough revenue to pay the debt service on the bonds.

The city's general taxes, other funds of the city would never be liable to make payments on the bonds or otherwise. The bondholders or anyone else could never come ask or compel the city to make payments on the bonds other than from these-- only from these revenues that would come from the property; these assessments that would be levied. Yes.

Councilmember Raymaker: You're saying the bondholders then don't have any lien on the property?

Clark Lord: The city has a lien on the property. We enter to an agreement with the bondholders that we will enforce that lien if there's no payment on the assessments and foreclose to pay those bondholders. But no, the bondholders themselves don't have a lien.

Councilmember McLeod: Specifically, our lien supersedes basically everybody else's but another government is that right?

Clark Lord: The assessments have seniority to everything except our own taxes and other taxes. They are senior to other debt on the property from private entities and all other items.

Mayor Wheeler: Okay. Having said that, again hypothetically speaking, which we hope never happens; it probably won't. The development company defaults, they can't pay the assessments, we have the lien, we foreclose on the property. We in turn sell the property in order to pay the bondholders. However, we can't sell it for as much money as what's outstanding on the debt. Are we liable for that difference?

Clark Lord: No, there be no legal obligation to-- at that point, the risk is shifted to the bondholders. If there's no payment, the bondholders are stuck with that not getting paid.

Mayor Wheeler: My biggest concern is, and we'd asked this a couple times in a couple of different meetings is, I really I'm looking for something in writing on that. I want to see some sort of statute, some sort of law. I feel like as a Council, we would not be doing our due diligence if we just accepted somebody telling us that and didn't see it in black and white.

Clark Lord: I can tell you that on the face of each bond and on the face of all the offering documents that will go out, there will be a statement. In fact, I'm not exaggerating, in bold print, in typeface that is all caps on the face, saying what I just said, that the bondholders can only look and solely look to the assessments and cannot look to the City of Shenandoah or any other fund of the City of Shenandoah for payment of the bonds.

Mayor Wheeler: Those bonds aren't issued until we vote "Yes" to issue them?

Clark Lord: Well, you will have those documents in front of you. You will be approving a bond resolution that will contain that language in it.

Mayor Wheeler: Okay. I'm not doubting that. I just would love to see it in black and white.

Clark Lord: No, you will. I understand the concern and that is the concern of the city.

Councilmember Raymaker: And the bonds and the process does not impact our credit rating or any other like that?

Councilmember McLeod: I was getting ready to address that because we're actually-- this afternoon it looked like we've issued-- we've got our current outstanding bonds but it's going to look like we will have issued another however many million dollars' worth in bonds. Our outstanding bond balance will be effectively doubled. Is that correct?

Clark Lord: Well, the bonds will be issued in the name of the City of Shenandoah - City of Shenandoah Special Assessment Revenue Public Improvement District bonds. But I'm not your financial advisor so I can't speak to credit ratings. But this is not your credit; this is the developer's, the property's credit.

Councilmember McLeod: Okay.

Mayor Wheeler: We've gone down the worst case scenario, which hopefully never happens for our city, not necessarily for the developer. But best case scenario, what happens if the developer cannot pay the assessments, we have the lien, we foreclose on the property and then it's worth more than what the outstanding bond number is. Do we get to keep that revenue? In other words, we take that property out, we sell it, let's say that he still owes 15 million dollars and it's worth 25 million. Do we get to keep the extra 10 million?

Clark Lord: We foreclose for whatever amount we can collect to pay all the debts on the property and then the rest is ours. Someone would only purchase the property for the amount necessary to pay all of those debts.

Councilmember McLeod: Because otherwise the original land owner would have sold it for 25, and paid all their debts. It's a good question though.

Mayor Wheeler: You would think you so but not-- it doesn't always work out that way.

Councilmember McLeod: That's true, that's true. Yes, we'd to pay all the debt.

Clark Lord: We're looking at the negative side of it. I don't think I did state clearly what the benefit of the city is. Obviously, the developer is asking the city to do this because of the benefit to the developer. The benefit to the developer is a lower cost of debt. They're using the vehicle of the city to allow them to have lower amount of debt that they have to incur themselves on the property, and also the interest rate is lower than what they could get on their own because these bonds will be tax-exempt from federal taxation to the bondholders. It allows the city to essentially acquire or have public infrastructure built on its behalf that it doesn't have to pay for, and no other taxpayer other than the owner this property has to pay for. That's the benefit to the city.

Councilmember Raymaker: Is there any way that the developer would be able to purchase some kind of insurance policy in case?

Clark Lord: Sometimes these bonds have insurance and our financial advisor, at the point in time where we're coming to you asking to approve a bond resolution, would advise you on whether or not the transaction is most efficient and financially risk to have insurance on these bonds.

Councilmember Houston: Clark would it also-- a benefit to the city, would this have the potential to escalate the construction process?

Clark Lord: According to the developer, utilization of the Public Improvement District and the financing that the city would be allowing the developer use is not only lowering their cost of debt, but is accelerating their ability to build a higher quality project and accelerate the construction of that and potentially get better tenants and so forth.

Councilmember Houston: And in turn, we'd see a benefit with taxes coming in sooner?

Clark Lord: Ultimately, that would result in higher property taxes that the city would benefit from, and potentially sales taxes, hotel occupancy taxes potentially, if that becomes a part of the project.

Councilmember Houston: Yes.

Clark Lord: Yes.

Councilmember McLeod: That's a benefit, I think.

Mr. Smith: So Council, tonight the three actions are resolutions creating the PID--

Clark Lord: We're not creating; we're simply accepting the petition and calling a public hearing.

Mr. Smith: Yes, excuse me, accepting the petition, calling the public hearing and then determining who the consultants are and then who the underwriter is. Those are the only three actions that are being taken tonight, none of which have any financial obligation to the city in any way, shape, form or fashion. All of the expenses from action taken tonight will be burdened by the developer and does not bind this Council for any further approvals of this process.

Councilmember McLeod: One question, we've talked about-- or a question I have, this only includes the new development, is that correct? Or does this include the existing development?

Mr. Smith: I believe there's--

Councilmember McLeod: There's not a map but there's all the metes and bounds and--

Mr. Smith: Yes, if I look at the metes and bounds, I think it does include his existing tract of the--

Councilmember Teague: It's whole project-

Mr. Smith: Yes, it does include his current tract and existing.

Councilmember Teague: -including the existing.

Clark Lord: While I'm happy to answer more of your questions tonight, as we bring forward these other actions there will be an opportunity to delve much deeper into all the details of financial questions. As I've mentioned to each of you, I want this Council to be all in on this, and like Greg said, this is not a binding action.

However, this action will give the indication to myself and all the other consultants to start the process of doing a lot of work to bring to the Council the other actions that will eventually bind the Council. I definitely want to make sure the Council is comfortable with this and has the basic questions answered here tonight. But there will be certainly more opportunities both in closed session, open session and in committees to really get into the details of the financing, as those numbers come in, as the process rolls along.

Mayor Wheeler: Anybody else? I'm looking for a motion.

Councilmember Houston: I'd like to make a motion that we accept the petition to create the MetroPark PID and call a public hearing.

Councilmember Teague: Second.

Mayor Wheeler: Any discussion? I'm giving you-- you've been reaching for your microphones so I was giving you a minute. I guess not. All in favor?

All: Aye.

Mayor Wheeler: Any opposed? Okay, motion carries 5-0 to accept a petition to create the MetroPark Public Improvement District. And we will open a public hearing, can't do it right now-- I thought we're going to do that--

Clark Lord: We were calling a public hearing for the future date.

Mayor Wheeler: We're calling for public hearing, I get you.

Clark Lord: The notice will be mailed to the property owner and in the paper as well.

12. Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution: (2:14:11)

A RESOLUTION AUTHORIZING AND APPROVING DEVELOPMENT PLANNING & FINANCING GROUP, INC., AS THE PUBLIC IMPROVEMENT DISTRICT CONSULTANT FOR THE PROPOSED METROPARK DEVELOPMENT AND RESOLVING MATTERS INCIDENT AND RELATED THERETO.

Mayor Wheeler: Yes. Okay. Then, let's move on to item 12 which is discussion, possible presentation by the involved parties and possible action to adopt the following resolution. The resolution authorizing and approving Development Planning and Financing Group Incorporated as the Public Improvement District consultant for the proposed MetroPark development and resolving matters, incident and related thereto.

Clark Lord: Again, this is a consultant that specializes in all the minutiae necessary to bring together all the information and data that is necessary to sell this project to the ultimate bondholders in the market to make these bonds marketable. This is a group that that we recommend. We've looked at several and they do this and we'll be putting together all those details if Council approves this.

Mayor Wheeler: Looking for another motion.

Councilmember McLeod: I'll make a motion to authorize and approve the Development Planning Group as Public Improvement District consultant.

Councilmember Teague: I second.

Mayor Wheeler: Any discussion? All in favor?

All: Aye.

Mayor Wheeler: Any opposed? Motion carries 5-0.

13. Discussion, possible presentation by the involved parties, and possible action to adopt the following Resolution: (2:15:20)

A RESOLUTION AUTHORIZING AND APPROVING FMSBONDS, INC. AS THE UNDERWRITER FOR THE PROPOSED SPECIAL ASSESSMENT REVENUE BONDS RELATED TO THE METROPARK DEVELOPMENT AND RESOLVING MATTERS INCIDENT AND RELATED THERETO.

Mayor Wheeler: Agenda item 13, discussion, possible presentation by the involved parties and possible actions to adopt the following resolution. "A resolution authorizing and approving FMS Bonds Incorporated as the underwriter for the proposed special assessment revenue bonds related to the MetroPark development and resolving matters, incident, and related thereto."

Councilmember Teague: I'll make a motion to authorize and approve FMS Bonds Inc. as the underwriter for the proposed special assessment of MetroPark development.

Councilmember Frazier: Second.

Mayor Wheeler: Any discussion? All in favor?

All: Aye.

Mayor Wheeler: Any opposed? Motion carries 5-0. Thank you Clark.

Clark Lord: Thank you, Council. Just to recognize from FMS Group, Tripp Davenport did make the trip down here just to be here. There's no reason you need to question him publicly. But if you want to ask him questions, if you want to be introduced, he's here, appreciate him making the effort to come here. Tripp, you want to stand up and wave?

Mayor Wheeler: Thank you for coming, sir.

Councilmember Houston: Unfortunately Clark has done a great job explaining this process.

Mayor Wheeler: Sorry to steal your thunder.

Clark Lord: And again, Tripp is not representing the city. It's important that the city approve who will do this work, but he's primarily working on behalf of whoever will really underwrite these bonds and get them to the market and disclose all of the risks and rewards of this transaction. Anyway, thank you all for allowing me to come out here tonight and explain this. I look forward to working with you all on this project.

Mayor Wheeler: Thanks Sir. Thanks Tripp.

Tripp: Thank you.

14. Discussion regarding meeting minutes. (2:17:13)

Mayor Wheeler: Item 14, discussion regarding meeting minutes.

Mr. Smith: Council as you recall, we did one test run of the minutes being word for word. We did not approve them last meeting. There were some questions, we're not in an urgent rush but we did want to bring back the discussion on what type of minutes we want to use. A little bit of history; in May of 2016 the City Council adopted action minutes and that is what we have been using since 2006. We've had a couple of meetings where Council members have specifically asked for something to be read on the record or clarified. There's absolutely nothing wrong with that. We can certainly do it but it does have an impact on how the meeting minutes are read when you do action items and then you see something where a Council member wants something specifically put. It does cause some confusion in the type of minutes.

We did try, the word for word. We got them back very quickly. It did save a lot of staff time for the minutes. I would also recommend and I know one Council member recommended, if we do word for word minutes this needs to be across the board for our planning and zoning committee as well as the minutes for development district. Obviously, the city pays for planning and zoning. The municipal development district, they are their own board and they can make their own decision whether they do action minutes or word for word but the MDD would pay for their minutes to be produced out of their budget. I feel pretty certain that the MDD board would follow suit of the City Council on that.

Advantages; it's much more transparent. You actually get to see everything that was discussed. Tonight we've been here for two hours and 22 minutes right now and you can have action minutes that would look like this meeting took 45 minutes. If you have word for word minutes, they realize the public can read exactly what each person said. Certainly there is some-- the more we do it the better the transcriptionists will get at it.

We did find out that our recorder was intermittently working, that has been replaced, we now have a new digital recorder. Our audio tapes will be much better quality than what we've had before. This has been a problem that has just come up in the last couple of months that it hasn't been working really good and in the middle of the meeting with no notice or anything, it would just stop recording or the recordings would go very low. We've gotten that addressed.

We're working on making the microphones better. Chris is here with his own staff and has already made some modifications and I think tonight you can already hear a better audio quality with all the

Council. We're getting more used to wearing the mics and using the mics. I actually think going for word for word minutes does have a lot of benefits for the community because they can actually see the interactions and the time that we spent on these discussions items as well as action items.

You go to an action minute, it literally summarizes what could be an hour conversation in 45 sentences. I think that doesn't do this Council justice or the residents justice to know what was said. That's my input on it. I would love to get Council, again it is a Council decision, we have the first draft as an example and I think they were pretty close to accurate. We've got to do a better job from the staff's standpoint making sure that we get the basics right and then go back in, and look at it. With time, with anything new, it takes a little bit of time to get that right.

Then I'll turn it over to the Council to have any comments or questions.

Councilmember McLeod: I like word for word, it seems to work and it's a little-- we do need to maybe ask them to clean a little bit maybe that'll cost a few more dollars but stop some of the noise-- I don't necessarily think you need to get every single cough in there.

Councilmember Frazier: If you're going get word for word, you're getting word for word.

Councilmember McLeod: Okay

Mayor Wheeler: Everything.

Ms. Reyer: I'll have to go through -- they have participant one, participant two. I'll have to go through to place the proper names. So that's some clean up.

Councilmember McLeod: It seems like-- it seems like you would cut out a lot of your hours you spend right now listening to the audio and trying to summarize.

Ms. Reyer: It will definitely save time and I was thinking through this past case, I think in the process of recording what I do in writing I can identify the schedule and the times of each item and that help me and help me segment and make it go faster too.

Mr. Smith: Council, as we discussed we can do an outline or depending on how long a one-two page summary; this was the action item, it was approved/denied and here's where you can find it on the audio tape starting with the time on the audio tape because we will also begin to start posting the audio from these meetings. There has been a problem with the recorder and that is resolved now.

Councilmember Teague: Can we also add maybe a table of contents of some sort where the--

Mayor Wheeler: That's where I was going to go. That's a good idea.

Councilmember Teague: -associated with--

Mr. Smith: That's the outline. I think a table of contents will be very difficult and we'll be making it more time consuming than as it is.

Councilmember Teague: The outline will specify what page that particular agenda item will be found on?

Mr. Smith: No, just the--

Councilmember Teague: Well, that's what I'm asking.

Mr. Smith: We can do whatever you want. At some point in time we're creating three separate documents for a set of minutes.

Councilmember Teague: If we're going word for word, it's going to be voluminous. It is, it's very long. I agree it's very transparent and I think it's a great time saver for Kathie but if somebody is trying to look for a particular item that appeals to them and they only want to see item four or item six, I don't think it's hard to ask that we say item six starts on page 30 or page 80.

Councilmember McLeod: We can actually put in the little headers like we do have our current PDF files where you click the agenda item and it will jump to whatever that agenda-- where that discussion of that agenda starts and that's not difficult.

Mr. Smith: What you're talking about is adding a hyperlink. We put the agenda item as page one of the minutes and then you click on that agenda item it will hyperlink to that minute. We'll try it and see if that works again, the more documents we're creating, we're not saving staff time, we're actually creating more staff work. While I understand what you're asking for, I think we need to create whether we're going to do it on the tape or we're going to do it to where it is in minutes.

If we only do one summary and it puts it what page on the minutes, that's fine. It's creating one document but what I've heard as asked is potentially two documents; is one that puts where the audio starts and then one page summary where it is in the meeting minutes.

Councilmember Teague: Can it not be one and the same?

Councilmember McLeod: That's exactly what I was trying to say. The agenda is your first page or your first two pages, and each agenda item has a hyperlink to where the discussion starts.

Mr. Smith: Yes. The answer is, yes we can do whatever you want to but we talked about cost saving or timesaving. You may have just eliminated the timesaving and made it now more time intensive.

Councilmember Teague: We're also relating this to the benefit for the residents, the public defined. I think we need to balance both and in order to balance both if the document-- if we're going word for word, we need to be able to let people find what they're looking for in some structure. That's all I'm asking for.

Mr. Smith: We'll certainly work on it and make it happen.

Councilmember Raymaker: Couldn't the person just go ahead and do a find with the PDF and will get to the phrase that you're looking for?

Mr. Smith: Yes, it's a searchable PDF. For instance if somebody wants to see every time Ron's name was mentioned, they would search Ron and then they would get up how many times Ron's name was mentioned.

Mayor Wheeler: Nothing that we decide on has to be iron clad. I think we've got enough Council members that have asked, "Can we do it a certain way?" Maybe we try that and get feedback from Kathie to see how much time that requires. She comes back and says, "You know what, that's an exorbitant amount of time. It's defeating the purpose." Then we circle back and say, "Okay, maybe we can come up with some other option." But I think right now, we're kind of in this test run phase anyway and maybe we just keep trying things out to see what works and what doesn't work for us.

Mr. Smith: So, what I will have Kathie do is to the test run will need to be approved this coming up minute, if you'll give her your comments back, please. I know we did some last meeting, but if you'll take a little bit of extra time, I will have her create that summary page that you're asking about and see how time intensive that is for this one test minutes and then we will effectively go to this new method, either starting in April or in May or whenever else Council wants to start it. It doesn't mean that we -- I don't want to try go back and do the ones that weren't ready.

Mayor Wheeler: No, no.

Mr. Smith: It was a one-time test, so I think we could say, "Okay, we like the way Kathie has formatted and everything looks great." In two weeks, if you guys like it, starting in April, that's the way we'll do it.

Councilmember Teague: I do also want to add that we need to be cognizant of what is in those minutes because the test run, that one particular item that mixed the whole context by adding what was said and it wasn't said. I think we have to actually be really diligent about reading the minutes to be sure that they are accurate.

Ms. Reyer: I think that in that case, the transcriptionist picked up the word yes or whatever it was, but it may have just been somebody else saying it about something. It was attributed to a member.

Councilmember Teague: Exactly, but it changed the context of that particular item. We just have to be diligent about it.

Mayor Wheeler: Okay, anybody else?

15. CITIZENS FORUM (2:29:10)

Citizens are invited to speak for three (3) minutes on matters relating to city government that relate to agenda or non-agenda items. Speakers are asked to stand up and approach the podium to address Council and give their name and address before sharing their comments.

Responses to inquiries are limited by state law to a recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision by Council shall be limited to a proposal to place the subject on the agenda of a future meeting.

Mayor Wheeler: All right, we will move on to item 15 which is our citizen's forum. Nobody asked to speak at the second citizen's forum that I got. At least I didn't get anything up here so, we will move straight in the item 16 which is City Administrator comments.

16. City Administrator comments (2:29:25)

Mr. Smith: Council, I have quite a few so, please bear with me. First, I want to give an update on the park committee as well as the charter committee. Park committee did meet. We have direct recommendations that came out in park committee meeting. The second thing that was discussed was the toddler park. No final decisions have been made. They want to get some more information from public works and looking at some things. They like that what's been done so far. The crosswalks are now-- where the end of the street and the handicapped are now painted blue. I think people have noticed that painting blue and now they are parking further away.

The signs that Council requested are now installed. The bright green ones they're up near so, I think we'll continue to work through the Toddler Park. Charter committee is working diligently. They

cancelled their meeting yesterday due to Montgomery County days at the Capitol. They are right now in the middle of talking about requirements for Council. We're in that-- 90% of the time is going to be on 10% of the issues. This is one of the issues that is the 10% that's taking a lot of time, but a lot of good discussion on that committee and lot of great conversation and everybody's working together so, I think that committee is working very good.

The other committee I didn't mention in my opening was the Special Events Center committee. They are working through. They have made some preliminary ideas that they want to pursue and we will be getting the architect involved in that a little bit. That's the first update. Starting next month, these will actually be agenda items on the agenda so Council can discuss what's going on with the committees.

Second item I have is a summary from Montgomery County Days at the Capitol which was Monday and Tuesday. Great event, it was well-worth our sponsorship, got a lot of great face time with a lot of different people. The Mayor and I actually met with our state rep three times over the two days as well met with the state senator staff once. Actually the state senator stepped out of his committee meeting to talk to the two of us behind their committee doors and what was a very long night for him.

I'm pleased to report that after a lot of discussions, it appears that in all likelihood that our special legislation is moving forward with both the senator support and the representative support. The representative bill has already been filed and they expect it to go to committee by tomorrow. They're monitoring that on a daily basis. The senator will either be following a little just tack on the house bill to his side.

I had a great meeting with Russell Johnson and Morgan Johnson with McGinnis Lochridge law firm. They are our lobbyists as well as our ward attorneys. We had dinner with them Monday night and had a great conversation with them. A lot of good things progressing, talked about our legislative issues that we have with what's going on with Lone Star with that board becoming an elective board instead of appointed board and making sure that the city and the smaller cities keep a-- or try to do as best that we can in getting a seat and keeping a seat to represent us on Lone Star. There's a very good possibility that that bill will get passed, in what form, they don't know, they're still working through it, but everybody is committed to working with us and keeping those things going on and very soon we're getting there.

It was a great time because we got to also talk to our partners in other parts of the county. There was a lot of good conversation. Our school board president was actually asked to testify in front of one of the committees while she was down there. She left actually Montgomery County Days and went to testify on some of the bills as well. Gill Stately testified in the house about the NAFTA agreement and the information with NAFTA. Once again, I think it was well worth our time and effort in going and I know all the elected officials were probably also have a comment about that.

Arbor Day; a huge success. Again, all of our events are getting better and better. A lot of plans. We thought there would be a slowdown in the plans with the hard freeze and I don't think there was a slow down at all. The plants were larger and there was more and we've had as many people as we've had there before. The kids' activity was a great activity. They got to color a pot and got to plant a flower and take it home with them. The kids had a great time with that, thanks to public works as well as the civic club for what they did in making that event great.

Next week, it's going to be a very, very busy week. NCAA is in town and before we forget John, we want to give something to make sure you're ready to go. We don't have-

Mr. Smith: Staff wanted to make sure that you were well taken care of and there was no problems with your phone this year.

John: I get an upgrade on my telephone every two years.

Mr. Smith: It is for his phone. That's from staff at your station. You'll get more information, but NCAA will be in town next week. They will start arriving Sunday. Student athletes will start arriving this weekend. Monday is actually probably the first day of when they can actually get into water. They start registering on Monday, excuse me. Registration begins Monday, they can start swimming on Tuesday and the event starts Wednesday. There's been some changes to the awards schedule so we will get you an updated information there.

Tuesday night is the banquet. Every one of the Council members is invited. It's 6:30 at the Pavilion Special Event Center. We'd love to have everybody that can make it, but it's not mandatory. We don't have any real role as a city in the banquet as far as recognition or anything like that. But we had our last staff meeting today dealing with the NCAA and most, everything is in. We're still lacking a few items that have got a couple more days for those items to arrive. We certainly do hope they arrive. We're coming up with backup plans if they don't, but I think the event should be really good. We're really excited.

Publicity on social media is already kicking off. We've already had several schools talk about our hospitality and ready to come down. One thing different at the banquet, I do want to point out, this was a great idea the staff came up with, is instead of the mechanical board that was just sitting there that they won't run, we're actually doing a green screen picture. They can stand there with their friends, the Alamo, Bluebonnets, the Texas Flag. One of the backdrops like what you see on sports press conferences. It'll have the NCAA logo, our logo just patterned behind. That is actually going to be what they'll be able to do. It's totally free to student athletes so they can post them, they can email them, they can do whatever they want to and then print them out later. They won't get a print right then but-- they will be able to print right then too?

We're really excited about it. Jennifer and everybody with the entire staff has been really making it a team effort to do it. All of you have your badges. That will get you in. Please disregard, it doesn't cover admission. It does cover the admission to get into the pool. I don't know why they put that on there. It's just standard NCAA language but that will get you in and get you access to everywhere. With that I think that is all I have today. I will give you a heads up.

The second meeting we will be presenting a lot of new employees to you as well. We'll be presenting the finance department their transparency stuff that they received from the Texas controller. We got that back formally; a new program that the controller put out and we're one of the first cities to get it for the transparency. The police department will also get their TPCA recognition; their re-recognition. This will be our second re-recognition but a local Chief Dupuis from who serves on the board at TPCA will be here to present Raymond that. Just to gives you a preview that we will have those and be a good meeting for us. That is all I have at this time.

Mayor Wheeler: Thank you Greg.

17. Council's Inquiry (2:39:15)

Pursuant to Texas Government Code Sect. 551.042, the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to a recitation of existing policy or a statement of specific factual information given in response to

the inquiry. Any deliberation or decision shall be limited to a proposal to place the subject on the agenda of a future meeting.

Mayor Wheeler: Move on to item 17 then which is Council Inquiry. Start it off with Councilwoman Teague, unless you don't want to go first - ladies first.

Councilmember Teague: I just wanted to re-iterate about an email that we got today. We all got it but since we have people on the ground I thought I'd announce it, that we're looking for volunteers for the NCAA. It's a great event. You're well taken care of in the hospitality tent. We're also looking for basket kids and those young children that are carrying the swimmers things in laundry baskets from one end of the pool to the other; that's Wednesday through Saturday, six to nine. They must be nine years old and up. We would appreciate anybody willing to come out and help, to come out and help. Thank you.

Mayor Wheeler: They don't want my four year old running around by?

Councilmember Teague: Do you plan to say anything about the heat sheet? Do you want me to?

Councilmember Frazier: Go ahead.

Councilmember Teague: Also during the NCAA, I didn't want to take it away from Darrell, but we sell - yes, civic club and volunteers sell the heat shield and the proceeds from that fund are high school senior scholarship fund. In the past it's been very, very good to us. This is a great event for us City wide.

Mayor Wheeler: Thank you, Ron?

Councilmember Raymaker: Pass

Mayor Wheeler: Pass, Mike? John?

Councilmember Houston: I removed my gear already. I would just like to thank the city, the residents for allowing us the opportunity to go take part in Montgomery County day at the Capitol. Montgomery County was well represented. Probably half of the gallery was Montgomery County, recognized on the floor by our state representative and then again in the Senate by our senator representative.

We were identified in both the House and the Senate and had an opportunity to meet an awful lot of people and have great conversations with some great folks. We spent some time with our representative Mark Keough which was really good and also spent a lot of time with our partner across the freeway Vicky Rudy and just had an excellent conversation with her.

It was a great meeting and an opportunity to exchange ideas and thoughts and that people want to hear that have same thoughts as we do and wanted to preserve not just the quality of life in Montgomery County but also be represented in the state by our legislators. We were afforded that opportunity by the City, by the residents and thank you so much for that chance.

Mayor Wheeler: Thank you. Darrell, go.

Councilmember Frazier: A couple of things. I'll jump on what John said and just say it was very-- thank you very much to the residents for that. Everyone that we talked with were-- we're well known. The city is for what we have done and what we're planning on doing and the professionalism that's exuded by staff and the accomplishments that have been done. It's very well-known and respected. Arbor

Day, Mike, tell your mom and dad they did an awesome job being the master gardeners and Nancy is here. Nancy you did an awesome job too and I know Rita Carter was on that also.

The Arbor Day I think as Greg said there was a great turn out but it might have been more than what we've ever had there. Seeing the kids interact and doing their plantings and stuff. I missed one that was Carolyn Holly also. It was a really good event. It's good to see that we have those types of events here in Shenandoah. That's all I have. Thanks Ritch.

Mr. Smith: Mayor, if you give me -- one other person that I met during Montgomery County Days which was actually at the last event is the Vice President of Entergy. He will be paying a visit to us in the next couple of weeks. He is very concerned about the situation we had last summer and he's given me his personal assurance that they are not done. That while the fast improvements have been made, they're not going to let it get back to where it was.

Again, going back to what we said is, being there, having the open dialogue we have and trying to address the issue paid for the Vice President to come up to me at the second event and look me up and make sure he told me that. When he's here hopefully we'll have a good meeting. We'll continue to work with Entergy to continue to have less and less outages. They have a huge announcement that they'll be bringing to us probably in the next 60 days.

Mayor Wheeler: Good. I don't want to beat the dead horse on the Capitol Days but I'll say that everybody is-- I echo everyone's sentiments that we appreciate the residents allowing us to go. I will say that it was extremely productive. I had no idea that we'd get the kind of time that we got in our State representative and our State Senator's office on some very important issues to Shenandoah. We don't have to guess about it, they were very clear and I'm talking about to the point they'd look you in the eye and tell you, "You all coming down here in the numbers that you do helps us and we appreciate you doing that." To the point that the State Senator actually said, "When this goes on the floor you'll be back, right?" I said, "Let me see if I can get off work, but yes, I will try."

It's obviously time out of our schedule. I took two days off of work, you're away from your family but men was it productive. It got some very important issues that might have-- Greg and I have found out, might have actually got missed had we not been there. Literally, in one of the offices it almost seemed like that was going to get passed by.

Mr. Smith: Yes.

Mayor Wheeler: Luckily we were there, we coordinated both offices talking to each other and the next thing we got an assurance that it will end up being brought to the floor. It was incredibly productive. I have to say from my first experience, I wasn't expecting that. Anyway, again, thanks and I think we got a lot accomplished.

The second thing I'll say is, sorry I wasn't at Arbor Day. I unfortunately had to work that day. That's rare to have a work on a Saturday, but we were at our national conference and man, I heard it was a great Arbor Day and I appreciate all of you for going. I appreciate everybody that showed up, and the city for putting it on and those are the events that I think make Shenandoah special; is when we get to do those community events and we get to still be that community with our residents and I hate when I miss those. But, I'm glad everybody else got to be there. I'm glad it turned out to be a good event. That's all I have unless anybody has got anything else.

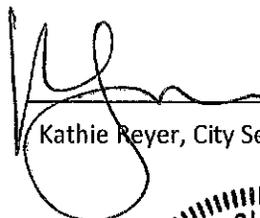
Councilmember Teague: I do. I just want to tack onto the Capitol Days. I missed that on my list, but it was a great-- as everybody has said it was a great event. I will add one thing that hasn't been touched

on is that our representation from the City of Shenandoah at the event was noticed outside of Montgomery County with adjoining communities from the state reps. We were very well-represented and I appreciate all of us who were able to go. We made an impact.

Mr. Smith: Mayor, with that, I am pleasing you out that I will be requesting executive session be cancelled. So, there's nothing else.

Mayor Wheeler: I will make that request. Meeting adjourned before you take it back (8:49pm).

SUBMITTED BY:


Kathie Reyer, City Secretary

DATE APPROVED:

June 28, 2017




M. Ritchey Wheeler, Mayor