

MINUTES OF REGULAR MEETING

May 10, 2017

SHENANDOAH CITY COUNCIL

1. CALL TO ORDER (0:09)

Mayor Wheeler: Okay, good evening. We will call to order the regular workshop meeting, City of Shenandoah. "City of Shenandoah" that one's mine Darrell. That's the one that I always get. For Wednesday, May 10, 2017.

2. CALL OF ROLL (0:24)

Mayor Wheeler: Call the roll and notice that everybody's here except Councilman Ron Raymaker. His son had a medical issue that he will not make it for. He has been in contact though so we did know about it. I talked it through with him.

3. CITIZENS FORUM (0:41)

Mayor Wheeler: We're moving to item three which is citizens forum and Ms. Hepburn would like to speak for three minutes. Ms. Hepburn.

Ms. Hepburn: Good evening guys. I've noticed on the agenda was about the jury duty being paid overtime. The federal law, it requires employers to pay employees for jury duty unless you're a salary.

Texas law states that to pay overtime they have to be work hours. I understand doing shift work and being called, we get a month an advanced notice and especially the officers if it's part of their job, then I understand paying them overtime because that is their job to go. Everybody else that you get noticed-- I mean we get noticed you tell your employer, "Hey I need to get this day off." And they give it to you. It's not hours worked on your normal schedule.

The other thing is about trash that we're going to talk about. I really hope that we continue the backdoor service because I know there are a lot of my neighbors that are elderly and they really benefit from the trash is coming to our back doors.

As far as whatever day, I don't think it really matters but I do know that after the trash truck runs it would be nice to have our city street sweeper come the very next day because when they are doing the trash you'll find broken glass, you'll find debris, all in the streets. There has been a couple of times that different dogs have gotten their paws cut because you don't see that there's broken glass. Thanks.

Mayor Wheeler: Thank you, Ms. Hepburn.

4. Discussion and possible presentation by the involved parties regarding the following Resolution:
(2:28)

A RESOLUTION OF THE CITY COUNCIL OF SHENANDOAH, TEXAS, IN SUPPORT OF A PROPOSAL BY ENTERGY TEXAS, INC. REGARDING THE APPLICATION OF ENTERGY TEXAS INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT MONTGOMERY COUNTY POWER STATION IN MONTGOMERY COUNTY IN PUBLIC UTILITY COMMISSION OF TEXAS DOCKET NO. 46416.

Mayor Wheeler: Okay, we'll move into item four which is discussion and possible presentation by involved parties regarding the final resolution. The resolution of the City Council of Shenandoah,

Texas in support of a proposal by Entergy Texas Incorporated regarding the application of Entergy Texas Incorporated to amend its certificate of convenience and necessity to construct Montgomery County power station in Montgomery County and Public Utility Commission of Texas, docket no. 46416.

Mr. Smith: Members of the Council, I would like to present this but then also table it. We can have our discussion but Entergy indicated they would have representation here. I'm wondering if they got confused on the meeting start time being seven o'clock so I'll explain it briefly. Then maybe we can table it and if they get here before we finish then we can bring it back up if Council would like to.

Basically, this is just a resolution of support supporting Entergy to build an additional power station up by city of Willis. The economic impact analysis, it will be a \$1.7 billion net benefit to all the customers over the 30 years, as well as it will create new jobs and a billion dollars in economic activity across the state.

This is up in front of the PUC so they're coming to all the Montgomery County cities to try to get a resolution of support. So far to my knowledge, every city is considering this and appears to be in favor of supporting Entergy in this power plant.

Mayor Wheeler: If we want to table this, I need a motion. No, we have a resolution that we--

Mr. Smith: No, but it's not for voting tonight. This resolution will come back to the Council at the second meeting.

Mayor Wheeler: Yes, it's going to come back so if we want to table this agenda item so we can bring the item back up when--

Councilmember McLeod: Later in the meeting.

Mayor Wheeler: Yes. Now, we get the opportunity to speak on it.

Councilmember Frazier: I'll motion to table until the end.

Councilmember McLeod: Check.

Mayor Wheeler: Second. All in favor?

Councilmember Frazier: Aye.

Mayor Wheeler: We will move this into later on in the meeting and hopefully they'll show up by then.

5. Discussion and possible presentation by the involved parties regarding repairs to the clarifier at the wastewater treatment plant. (4:53)

Mayor Wheeler: Okay, item five, discussion and possible presentation by the involved parties regarding repairs to the clarifier at wastewater treatment plant.

Mr. Smith: Council, this is just to give you an update. This will not be as an action item unless the Council wants it as an action item in the made meeting but CSA who is the original contractor opened up after they pulled the clarifier out they opened it up and they were unable to repair it. It had too much internal damage. They did not have another clarifier rebuilt so we had to change contractors.

We are now with El Squared and the net cost is only \$2,100 more than the initial bid. They know they can rebuild it. One of the biggest difference between El Squared bid originally and CSA was the length of time. They've said four to six weeks. We've already signed the PO to get that process going but the net increase is only \$2,313 over what was originally approved on an emergency at the last council meeting.

Councilmember McLeod: Bill, can we make a motion to approve this? I don't think we can.

Mr. Ferebee: You're correct. It's just possible -- it's presentation only.

Mr. Smith: Yes. We bring it back if you want to bring it back or you're good with this information then--

Councilmember McLeod: I'm fine he gets \$2,000 within your limit to make it happen. We going to get this thing fixed.

6. Discussion and possible presentation by the involved parties regarding revisions to the employee policy manual. (6:24)
 - a) Body Art/Tattoos
 - b) Communication/Chain of Command
 - c) Jury Duty

Mayor Wheeler: Yes. Okay. We're moving on to item six, discussion and possible presentation by involved parties regarding revision to the employee policy manual. `

Mr. Smith: Council, the first one was the body art or tattoo. Councilmember McLeod asked us to discuss this. This discussion actually happened with all employees. Not just the department heads but we actually discussed it with all the employees during our quarterly employee meeting.

The general consensus, although it's not everybody agrees with 100%, but this is the general consensus that the tattoos, body art or brandings should not cover more than 50% of any one body area, whether it be a forearm, bicep, triceps, calf, sheen, thigh whatever it is. If it's exposed it can cover more than 50% but it must be covered.

The second part shall not kind vulgarities, nudity, racist words or images, gang related symbols or violent images or obscenities. They also should not be distracting. The distracting one came from employees that actually felt that if a tattoo had too much color in it, that it actually could be distracting and should not be allowed.

The next section, it says, "Any tattoo, body art, branding that are deemed questionable under the above conditions will be evaluated by committee compromise of four employees which will then determine it needs to be covered. If an employee disagrees with the committee's decision, they may appeal it to the City Council. Then the Council's decision would be final. Tattoos or body art branding of the neck, face, head, ears or back of a hand is not acceptable and must be covered."

That's what all the employees, as a general consensus said. I can tell you who my recommendation on who I will be appointing to the Tattoo Committee. It will be Lucas Early, who's one of our police officers, John Ferrand with the police department, Heather Smallwood, and the Stephanie Konzem. Those will the four. Two of those do have tattoos, two of them do not. One of them is a supervisor. That will be my recommendation for the Tattoo Committee.

I can tell you with all the conversations we've had with our employees, a couple of interesting points to bring out. One, this is only going to affect two current employees in our reality. There's a lot of time and effort going into what probably will end up being two maybe three employees.

We did find out that there's at least one if not two employees that are considering getting tattoos and want to get a tattoo. They have held off getting that tattoo because they would have to cover it up. To them, covering it up, it's not an issue about covering it up.

Their point is they may have to take off three or four days because when you get a fresh tattoo it has to be exposed to the ink or whatever that process is for tattooing. They were actually concerned that they may end up having to take some days just to get a tattoo which if it's not offensive then they can wear it and I think these employees would be non-offensive.

As far, new employees, it's a real simple process. The department heads or whoever is making the hiring recommendation will go over this policy with all applicants and make sure it's not an issue before we hire somebody. That's where we are on tattoos. Do we have any questions, comments or concerns on tattoos?

Councilmember Teague: I have one on the, "They shall not be distracting." It seems like that's too much of a judgment call. I worry about that wording if we could somehow make that better wording. Distracting to me might not be distracting to somebody else and that we may have some issues with that possibly not with our current staff but somebody might be distracted, might claim distraction.

Mr. Smith: I agree. I'm open to any suggestions, we actually talked about that definition long and hard in the meetings with the employees, and they were distracting is distracting. If the tattoo draws attention and you focus on the tattoo during a conversation, then that is the basis of what they consider distracting.

Mayor Wheeler: My understanding is this four-member board which be judging jury on what is distracting and what's not.

Mr. Smith: Correct.

Mayor Wheeler: In other words, if somebody were to say. "That tattoo is distracting." Then it goes in front of this four-member board and then they decide whether or not.

Mr. Smith: That's correct.

Mayor Wheeler: My only question there would be then is what if it's a two-two tie?

Mr. Smith: Then I guess you would come to this council.

Mayor Wheeler: You may want to make it a five-member board.

Mr. Smith: I'm eliminating myself from the appeal process for basically two reasons. One, I personally think tattoos should not be visible in a professional work environment. I need to look at this from the city standpoint and we do not want to lose a good employee, or possibly not hire a good employee because of the policy that I may personally disagree with. I'm taking myself out of the process because I feel that I would rule against every tattoo being visible.

Councilmember Teague: What is the process for an employee that deems a tattoo distracting? How would it go before this committee?

Mr. Smith: They would just tell a department head that they think that a person's tattoo is distracting. I really don't think the complaints will come from the employees. I think the complaints will come from the general public.

Councilmember Teague: Right, and they don't have a --

Mr. Smith: Yes, they can contact the supervisor and say, "I think that looks bad." Then we go through the process. This was brought up by a council member wanting to consider and this was what we have come up with.

Councilmember McLeod: Yes, I appreciate that.

Councilmember Frazier: I think you have come up with a good process. I'm fine then. I'm good, having a committee of employees will be good.

Mayor Wheeler: Yes, I agree.

Councilmember McLeod: Yes, I like it. I think it takes care and meets everybody in the middle a bit. I like the fact that it was come up with an employee once came up with it and the employees are going to be the ones that are really going to deal with it. I think that's good.

Mr. Smith: The next one is communication and we have actually deleted a lot of words in the policy. We're used to read "Employee may request, a matter be considered by the city council by submitting the item to writing to his or her supervisor who will forward the communication to the city administrator. A final decision has to what is to be brought forward to the city council from the staff are determined by the city administrator."

Final decision has to what to be brought forward to the city council from the staff are determined by the city administrator has been removed in its entirety and brought a new sentence that says, "City administrator will place the item on a future council agenda, the employee will be required to present the item to the council."

The reason why it doesn't say, the next agenda is because there needs to be some flexibility if somebody presents something and then they are going on vacation or there needs to be time for them to prepare or something like that. That is why we did not say the next agenda. As well, a council has a procedure right now of workshop and then action, so we would want to bring in at a workshop for discussion, and then bring it as action. That's the first change.

Second change in communication, second sentence, "Employees are to refer the public and the media to the city administrator or the city administrator designee if a question is non-routine controversial or outside the scope of the employee normal duty."

I think it's been a practice that the city administrator's designee but we wanted to add that. Because there could be a situation that in the law enforcement question, that it gets sent to the assistant chief or chief, okay? The last section they've got--

Councilmember McLeod: Let me jump on that because we just hired a new position, that's primary job is communication so--

Mr. Smith: That's correct. It keeps up with what we've done, didn't need to be changed. The final one is probably the most drastic change. Currently, reads, "Members of the city council shall deal with city officer's employees who are subject to the direction and supervision of the city administrator. No individual member of the city council shall give directions or orders to the city

officer--" Excuse me I left something out of there. Supervision of the city administrator, yes it's just-- yes, and so it said the city council shall deal with the officer's through the city administrator, okay.

Through the city administrator has been deleted, now what it says is, "Members of the city council can deal with officers and employees who are subject to the direction and supervision of the city administrator. The employee must inform the employee's supervisor or city administrator if the council member discusses or makes inquiries about anything not pertaining to his or her dealings with the city as a resident or a business owner."

The way it worked before and it was not meant to be this way, is that if you had to question it, it should have gone through the city administrator. We have left that out and now if you have a routine question for an employee dealing with a business matter that you have as a business owner or inquiring for then you have the absolute right to do that.

The only thing we are asking is after the fact if it is not dealing with the direct-- if it's dealing with city operations then they should notify their supervisor or the city administrator. In addition, the sentence that says, "Employees contact with members of the city council is limited during working hours, that are authorized by the employee supervisor has been completely eliminated." Again it says, "However, this shall in no way limit an employee's right as a citizen to contact a member of the city council during nonworking hours."

We have really loosened this up, but we've still kept the chain of command in place and allowing the council to have it. The previous comment that was made, Mike, I believe it was you that the police officers said that they were not allowed to talk to you even about the Texans. That was a policy set by the previous police chief, it was not a city policy and in no way shape or form does this policy say they should not talk to you about anything.

That has been clearly - you can ask every department head - I have said that to every single employee, you are more than welcome to talk to any city council member and I encourage it. I just ask that you keep in mind the chain of command and that if it's dealing with something about the city, let your supervisor or ask to know if we think it is out of balance. Everybody says we've always talk to the city council so outside of the police department having a rule that violated the city's policy that has been corrected.

Councilmember Teague: I have a question. Did this happen to come up in your quarterly meetings with the staff?

Mr. Smith: Yes, I did bring it up.

Councilmember Teague: What was their response to that?

Mr. Smith: It was across the board. Some employees expressed that they feel if a city council comes in and asks a pointed question about city operation that there may be some ulterior motive to it. Or if it made the employee feel uncomfortable and then the employee doesn't know how to react.

We've had others that sit there and say, "I'm not going to talk to council members about city business because that is my supervisor's role or the chain of commands role." Every employee says they have no problem answering questions but there are employees that have concerns that I would ask you to ask the department heads here tonight as well. Several of the employees don't see some council members as often as they do others. It's not good. It's not bad. It's just fact. Sometimes they get intimidated by city council members walking in out of the blue and asking them a question.

Councilmember Teague: I'll ask since nobody else has. If each of you all could tell us your experience with that from staff level on whether or not your staff members are uncomfortable with that situation. Because what I would like to do is just be sure that-- we'll just let you talk.

Mr. Peart: Is this on? Like Greg was saying, I have had employees express concern to me in particular if there's a pointed question. Because they wonder if there's something behind it, it puts them on a defensive, almost, and 'give general answers' kind of attitude. Now, when it's just regular conversation, there hasn't been any concern but when it's more city policy or operations that they get a little more concerned.

Ms. Calvert: Mine have expressed that same concern. Primarily it is when there are council members who had never spoken to some employees. There are council members who have said one or two words to them, never address them by name.

Yes, when they are asked questions, they know it's not coming from a general I-care-about-you standpoint. They don't want to do that. They want to answer questions, but they just want to make sure that they're not being backed into a corner and you're trying to dig up information on someone.

Mr. Eickelberg: I don't think if you ask a question to him they will probably be more than truthful. Probably give you more information than you need.

Chief Shaw: My guys have--

Mr. Smith: Brandon, use the mike because it also picks it up better for the transcriptionist, please.

Chief Shaw: I think most of my guys have talked to-- Do what? I think most of my guys have talked to almost all the city council. They really don't have a problem with this. Someone prior talked a little bit too much, and they'll let you get going when you need to get going. Some of them said the same thing. If they started getting a little-pointed question they just defer off to something else. I've never had a problem with it personally. Thank you.

Mayor Wheeler: Anybody else?

Councilmember McLeod: Yes. I appreciate you're clarifying that. They're with the employees that-- It's perfectly okay to have casual conversations.

Mr. Smith: Yes. It's perfectly okay to answer questions that are simple, non-controversial. What they just don't feel comfortable with is-- I'll give the example. Council member walks to the front desk and says, "Hey, have you guys been given all the training and you need to be successful with your job." Unannounced just walked in, blurted that out. They felt very uncomfortable because they both came to me and said, "That was a very awkward situation."

Again, I don't mind changing it. I think these changes it towards much clearer and much better understanding for everybody. Certainly, opens it up but it still keeps the chain of command, which I think everybody wants the city to maintain.

Mayor Wheeler: Yes. The only comment I would have on the whole thing is we have a great staff. If you haven't taken the time to come up here and talk to them and visit with them and get to know them, start there and just get to know all those people. I enjoy when I'm up here getting to just chat with folks.

It would bother me if I felt like somebody didn't want to talk to me because they were afraid to or something. I've never once felt that way. Maybe if somebody's feeling that way they don't come here as often, so they just don't know the people. I would encourage anybody that wants to just to get to know the folks at work on our staff. I think that will alleviate a lot of questions.

Councilmember Teague: I would just add that that's open to residents and the public to come and get to know staff because in terms of realizing that they are people too.

Mr. Smith: I will tell you that as a whole we receive more compliments from businesses, contractors, and residents than we do complaints. Probably tenfold compliments over complaints. We do get some, and you will hear that during my city comments or city Administrator's comments tonight.

As a whole, if they will ask and come up and get to know the employees that will work out great. As several of you may or may not remember, we used to try to encourage that. We actually had hot coffee in the front lobby and encouraged people to come and talk to the staff.

We basically threw away a pot of coffee every morning because nobody came in and got any coffee. It was brought out, it was left open, but we had very few if no takers on that.

Councilmember Teague: We do have senior citizens that make it a special trip to walk their water bill in every month, month after month after month, year after year after year. They look forward to visiting with the ladies at the front desk. That's their social outing. Those people are the ones who have the personal contacts with our staff, love our staff. The ones that don't, come up with their own agendas or their own assumptions on whether or not they're--

Mr. Smith: Probably our biggest complaint from residents that come in, and we're all going to laugh when I say this, is the fact that we cut out buying chocolate. It was actually something that the city used to pay for. I cut out. I'll take it, say I cut out. The city cut out.

We actually had more complaints from the residents that the two candy jars up front don't have chocolate. Because those people, just like Jean was talking about, in our contractors will come in, and they know they can get their favorite piece of chocolate. The employees that went and bought it would buy what people wanted. If people love Snickers, they would buy the little Snickers.

I've said that jokingly, but also to say the same thing that the majority of our residents do like interacting with our employees. We want to continue to encourage that through-- Whether it's a council member or a citizen to engage our employees and get to know them.

Mayor Wheeler: Hey, Kathie will you put chocolate on a future agenda please?

Mr. Smith: If council won't cut it, I'll put it back in because I get a lot of grief over that.

Mayor Wheeler: Okay.

Mr. Smith: What did you say?

Ms. Calvert: No. If they're up there and they're frustrated or angry that's what they eat.

Mayor Wheeler: There you go. All right. To move on to item seven.

Mr. Smith: Hold on. We still got one more.

Mayor Wheeler: Yes. We're still on a—y'all got me side tracked on chocolate.

Mr. Smith: Jury duty. I will let Bill speak for the law, but I will speak to the conversation on how the policy is written. The policy is written, as I understood, council, to where "If an employee is called for jury duty they will get paid regardless if it is their time off and we will count that towards hours work for overtime."

The comment made by the resident, Julie, earlier-- I'll let Bill speak to the legality of that comment but the way the policy is written is, "If the employee is not scheduled to work on the day or time he or she is serving on jury duty, the employee will also be paid regular time/overtime.

An employee cannot take PTO and receive jury pay at the same time." What we don't want to have is somebody burn PTO which counts towards hours worked and get paid jury pay. Then later on in the week, get overtime because that's what they did, and then it does say, "Jury time will be considered time work in the calculation of overtime." I'll let Bill talk to the legal aspect of it.

Mr. Ferebee: I'm not exactly sure what legal aspect that you're wanting to direct to me.

Mr. Smith: The question is we are being more generous on overtime which is allowed than following the law to the strictest letter. Hours worked. Jury duty does not constitute hours worked typically, but the city has the legal right to consider that as hours worked because we are exceeding with the minimum federal standard hour.

Mr. Ferebee: The city can pay over time if it chooses to pay. Yes. I think as we discussed, I don't see how this-- whatever policy the city council wants to pass is fine. I can't see this being very many dollars. You have four, five district courts, three of which are criminal courts. The one time that I can see this happening more often than not would be a police officer.

Three of the five courts are criminal courts, and if you're going to be on the jury, there's not going to be a police officer in a criminal case. You're really looking at a very-- I think rare situation. Could it happen once a year? Yes, but I just don't see this as much of an event. I don't know how many jury cases I've tried but if it's 100, I've only had one police officer I can remember ever on a jury. It's just not a circumstance that I think you're going to see happen very often.

Mr. Smith: I actually asked all the police officers during the quarterly meetings. We have had two or three police officers that have been summoned and served in a civil trial as a police officer. Again, going back to Bill's statement, it's not very rare. The cost of it is not going to be very much. If the council wants to exceed the standard. You certainly can.

Councilmember Frazier: Julie did mention state law though. There's a subsection in there or -- I don't know.

Ms. Hepburn: That's law for all hours of work.

Councilmember Frazier: In my opinion, I'd like that researched a little more before I would--

Mr. Ferebee: I'll be happy to research.

Councilmember Frazier: Just to make sure you clarify that, Bill.

Mr. Ferebee: Yes.

Mr. Smith: Okay. Council is good with the way it's written, presented. We'll verify all the laws.

Mayor Wheeler: Yes, anybody else?

7. Discussion and possible presentation by the involved parties regarding the sick pool committee.
(33:44)

Mayor Wheeler: Now moving on to item seven, discussion and possible presentation by involved parties regarding the Sick Pool Committee.

Mr. Smith: Council, you know every year the city has a Sick Pool Committee. The Sick Pool Committee is represented by employees. Department heads are not on the Sick Pool Committee. Kathie and myself do serve on the Sick Committee but we are nonvoting members of the Sick Committee. The Sick Committee over the past four or five years that this committee has been established, has met, I think two times, Kathie, in both times have awarded the employee, the request of using the Sick Pool.

This is a great benefit for the employees. It is now funded. The hours in the Sick Pool are now funded 100% by the employees. We do need to update a couple of the positions due to employees that either left or have been promoted.

Position one, Joel Gordon will stay on it. Position two, now since Raymond is the chief. He is not eligible so Kevin Frantz from the police department will go there. Position three is currently Heather Smallwood and will stay, Heather Smallwood. Position four will go to Stephanie Konzem with CVB. It was Jennifer Salazar and Stephanie took Jennifer's position. She will serve in that position.

Administration used to be Bubba. Bubba has now left the city so Courtney Clary will take that position. The position seven was a public works employee that has left and so we're going to put Adrian Salinas for the water and sewer. Then Leslie will stay in her position with public works. Tammy will stay in her position from finance.

Mayor Wheeler: Very good.

Mr. Smith: Any question or comments on that?

8. Discussion and possible presentation by the involved parties regarding modifications to the Shenandoah Sharks lease agreement. (35:50)

Mayor Wheeler: Moving on to item eight, discussion and possible presentation by involved parties regarding modifications to the Shenandoah Sharks Police Agreement.

Mr. Smith: Council for just a little bit of the history on this back in 2012, 2013 it came to the city's attention that we had to have lifeguards on duty during all swim practices and swim meets. That had been a rule that we just haven't been following. How that came about was actually attending the NCAA national championship in Indianapolis. I was with the CISD pool director. I had the conversation I noticed they have lifeguards during all meets in anything "You have to have lifeguards?" He goes, "Yes", "What if the coach is a lifeguard? It doesn't count."

We came back, reviewed that entered into an agreement the first year with the Sharks that they funded half of that proceeds and then came up with the current lease agreement that we have. It was originally a couple, 'year to year agreements'. I believe it was two years ago. This is the second year of the multi-year agreement that we did do a multi-year agreement.

What it basically says is the Sharks actually pay the cost for the lifeguards. They pay the actual cost for the-- if and only if they choose to heat the water which in the last two years, they have chosen to heat the water. Then they pay a little bit based off of operations. We actually do not take the full budget from the pool in this decision. Rather just what is directly operational for the pool such as electrical, water. We don't charge for the furniture, fixtures upkeep and stuff like that.

Ms. Blount, the president sent an email on 4-26. This is the first meeting since that time, requesting that the parking lot be included in their request. The reason for the parking lot addition comes from a situation that occurred last year during the Shark's swim meet of signage that was put up in reserved parking spaces.

That is a public parking lot that is owned and operated by the city. We have probably eight or 10 residences that houses directly back up to that parking lot. That decision was made seven years ago, I believe, to open that parking lot up at all times. Keep it lit at night and to remove all the gates. We used to have gates that closed off that parking lot.

Councils says, "That is a public parking lot. Everybody needs to have access to it." We created a public parking lot. That parking lot gets used by several different organizations. The church uses it on Sunday morning. The school uses it during any of their performance. They do a great job by giving us a call and letting us know they're going to use it. It came up last year that the Sharks wanted to be able to put up signs and control the parking in the parking lot.

Last year, it was a little bit of issue raised. I suggest to and then they come back and ask to include the parking lot in their lease. That is what this request is. In the background, you also see that the ordinance dealing for signage, "Public event signs are considered temporary ground signs and shall be allowed provided that, one, such signs shall be permitted only for the public events sponsored or affiliated with the city of Shenandoah provided there is permission from the city administrator prior to displaying."

I feel certain that the shark's relationship with the city meets that criteria. There's no question that I think it does. "Signs with a public ride away easement or public own property signs, to use public property permitted under franchise release agreement with the city." Again, I think they need that.

The signs that she is asking for would be allowed under the ordinance but would just need to get a permit for those signs. It is just a clean-up that has come about from their request. Does council have any questions, comments, concerns?

Councilmember Houston: Now, we had a question. Does this in any way restrict? Are they putting no parking signs up for the public? Would that restrict somebody from parking in a particular place because they have reserved that parking place? Is that what this may be about?

Mr. Smith: I do not think in any way, shape or form that's what they're requesting. If you give them control of the parking lot they included in the list, yes, they could. Unless you excluded that if a resident parked RV in there from Silverwood and somebody was visiting them. That RV could be moved or requested to be moved by the Sharks if we turn the lease over to the Sharks.

Councilmember Houston: I would have a problem with it.

Councilmember Teague: I also wanted to find out the lease is through July fifth, so is the parking lot lease request for that entire time during the swim practices in the mornings where the public cannot gain access to that parking lot? Or is it just for particular days each year? What is the stipulation on the leased premise? Because I'm also not comfortable with this. The park committee

just came back to city council six weeks ago or so and said, "The only thing that could be rented at the park was the pavilion. No other facilities including the parking lot, the field, anything else could be leased."

I have an issue with an organization coming in and renting a public space to restrict our residents from a use of the parking lot. I see buses come in there especially at the end of the school year. Where they have kindergarten kids that are have asked for an outing to have lunch down at our park. I see mothers come in there that unload their strollers and meet with other friends that then go walk to the park or walk in the neighborhood. It's a public space and should remain that way.

Mr. Smith: The way I understand it from the Sharks it is only during meets and meet mornings. That is the intent. If we have concerns, if we are okay with it during the Saturday morning meets then I think we can certainly restrict it to the four or five days that are meets from the beginning of the meet to the ending of the meet.

Now, with that said, we've all had some thought processes that if a meet gets canceled due to weather, that they will be allowed to make it up during their regular time that they have. That would be something we would need to keep into consideration and have some discussions with the Sharks about because it may be they only want that during their regular scheduled meets. Not if it's a cancellation they're trying to add. There are--

Mayor Wheeler: Mike, what are your thoughts on this? I've been watching you, you want to jump in over here and--

Councilmember McLeod: I've been speaking with Dana. The real issue, of course, the Sharks are a completely volunteer organization so one of the things we have to have in meets are officials. In order to be official you got to do some training, it's a lot of extra commitment and be there early, those kinds of things. You don't have a lot of ways to incentivize people to be officials. One of the ways they do that is they set aside some parking spots and then we do the same thing for visiting teams.

I think this whole request boiled down to being able to put some sign up that says, "These eight spots on the front of the lot nearest the pool are set up for either officials or a few people from the visiting team." My understanding of the situation and I've talked to Dana and had her interact with Greg was that's really why we're having this discussion so that when the Sharks had the meets they're able to designate some spots for either visiting teams or officials.

That's really the entirety of this request it revolves around that being able to set aside some spots for those particular individuals to encourage volunteer.

Councilmember Teague: Can this be accomplished without leasing the parking lot?

Mayor Wheeler: That brings me to my question? I like everything Mike just said. Can we figure out a different way to do it where we're not giving up the city parking lot? Because intent is one thing but when you start writing leases of a particular way then that opens it up to--

Councilmember Teague: At some point, they could and - I

Councilmember McLeod: I agree.

Councilmember Teague: I don't mean that anybody currently but at some point if this is in the agreement they could charge people to come into the parking lot. They could gain complete control over that parking lot. I think that's a big mistake on our part.

Mayor Wheeler: Next thing they've got a parking ride going there April 15th to July.

Councilmember Frazier: Mike, how many of those people are you talking about is there eight, 10?

Councilmember McLeod: Yes, usually eight to 12. I think the spots that are closest to the pool there.

Councilmember Frazier: Can you just write it into the agreement then that you're allowed to reserve up to 12 parking spaces?

Mayor Wheeler: I would even say designate which ones?

Councilmember McLeod: Then that little area where the handicap is we used to give for visitors for their equipment. It's that kind of stuff. It's like, are we allowed to say this-- the front part. The two handicap spots in the front are designated for the visiting team and then the next two are--

Mr. Ferebee: It's easy to write it in without leasing them the parking lot.

Mr. Smith: I can make it even easier--

Councilmember Teague: Or just have a plan that's submitted.

Mr. Smith: If you go through the sign ordinance, I'm the one that recommended they come and ask for the parking lot because of the exact same thing that we're talking about. Is it eight, is it 12, is it handicapped, is it not, are they wanting to put teams? Because when we modify the pool and we took away the metal ugly building, we had lots of complains that there's no shade.

Now, they're putting tents in there. The parking lot could become an issue if we lease it. That was the easiest way to give the Sharks control of it. If you go back to the current city ordinance 11.14.2 R - public event sign, "Public event signs are considered temporary ground signs and shall be allowed provided that, one, such signs shall be permitted only for public events sponsored and or affiliated with the City of Shenandoah provided there's a permission from the city administrator prior to displaying."

That covers everything if all it is is reserving parking spots. Done, simple, this don't even have to come back. It's in the ordinance.

Councilmember McLeod: That works for me.

Councilmember Frazier: Make it happen.

Councilmember Teague: I think the only reason why it's coming up late is because it just didn't get done in the offices and--

Mr. Smith: Yes. These discussions happened last year and--

Councilmember Teague: It's just getting then to submit a plan.

Mr. Smith: Yes. They meet the criteria.

Councilmember Teague: Much like the Christ Community School did when they wanted to add signs to their drive.

Mr. Smith: Yes, but much easier. The better example of that is the Insperity temporary signs that were put up last weekend. We are a sponsor of the Insperity. They give us a lot of free advertising. We have a great partnership the last two years with them. They used our CVB restroom over the weekend, it worked great. We have a way to handle it, it's reserving parking spaces so from my perspective if the council is okay, we will work with them on eight to 12 reserved parking spots.

9. Discussion and possible presentation by the involved parties regarding the office space lease with LANDology, LLC. (49:03)

Mayor Wheeler: Moving on to item nine discussion, possible presentation by involved parties regarding the office space lease with LANDology.

Mr. Smith: Council, you know this is a year to year lease with very short cancellation cost. They are asking for a one-year extension. Their firm has grown in size and if they continue to grow in size they will outgrow their lease space. They're just basically asking for a one-year extension at the same situation, same rates and everything that we have at this point in time.

Their monthly rent is \$1,800 and they had received an 18-month extension which runs through June of this year back in 2015. They're asking for just a 12-month extension this year with no changes. The exact same spot, everything stays the same as in the original lease.

Councilmember Frazier: It works for me.

Mayor Wheeler: Yes, we don't need the space so might as well.

Councilmember Houston: This doesn't create any kind of condition. The conditions haven't changed to the effect it has own staff or our city operations.

Mr. Smith: None.

Councilmember Houston: Great, okay. I'm good.

Councilmember McLeod: Yes, I feel the same way I did last time. I think city hall needs to be city hall and city business.

Councilmember Teague: I'm fine with it.

10. Discussion and possible presentation by the involved parties regarding a financial update on the NCAA Swimming & Diving Championships. (50:30)

Mayor Wheeler: Item 10, discussion and possible presentation by involved parties regarding a financial update on the NCAA swimming and diving championships.

Mr. Smith: OK council, Jenifer and I will kind of tag team this. The first part of it is if you are called, we negotiate off your rate for all of our hotels for any NCAA event in the future that the room rate is \$149 a night. That was a huge undertaking on staff part and was very well received by NCAA.

Basically, they have 982 reserve seats, we sold out. The entire event was sold out before the event even started. That is one of the concerns the NCAA has voiced to us. Even after the awarding of the new contracts for the next four years is that there are some concerns because they've actually increased the field by 52 or 54 swimmers that the facility is going to end up being too small for them.

You can see the ticket counts and actually who actually showed up. We never got to capacity and we kept really good numbers for this because of the fact that we know it's a sell out every time. Again, this year nobody has turned away. Heather has done a fabulous job with her ticket swapping and so that worked out.

We are able to recruit over 143 volunteers and use 23 paid staff from meta-staffing to supplement that. The volunteers keep getting increasing every year and the number of staffing is going down every year. In addition to that, some of those volunteers are considered the individuals that work for CIS team. We actually did pay those individuals and we had some of those and that actually has been a very positive situation.

The banquet as you told we fed over 825 people with no time constraints and we actually had a lot of extra food this time. We did not run out as we did two years ago so that's a good thing. We probably over-bought but it's better to over-bought than under buy when you are feeding college athletes. Jason Dubose was our Special Olympian that gave the keynote speech. Kathie sent us an email since that that the championship that he was talking about trying to qualify for, he qualified for. One of the things that he talked about in his speech that night he actually achieved after that speech. We're great to hear that. You see some more other things that you see, banners sold. We sold some of the 2015 banners 43 extra deck passes sold. Students lose one, they had to buy four and then we sold an additional 30 banquet passes.

Hotels, so as you can see we had 356 hotels in Shenandoah sold during the NCAA which is a lot more than we've ever had. Other local hotels because we do not have enough hotel rooms in the city to handle this with the double-double, rooms that they need 646. If you look at them, the majority of them were at the draw-in which is about as close to the city limits as you can get without actually being in the city limits. They sold 204 rooms and that's just because they have a lot of double-doubles and they were able to sell the double-doubles that they needed. Next to them was the La Quinta in Conroe and then after those two, Best Western had 78. Then you see the numbers consistently go down. You had quite a few, actually, I have to go to Conroe again which we really felt they would be able to get some here.

The one that I could tell you that surprises me and I don't know how this happened but the Marriott Market Street basically was a sell out with the NCAA. I would not have thought that boutique hotel on the Market Street would have sold 72 rooms but they did. The total economic impact, 103 room's, six night's stays. Sorry, 1,003 total room sold times the six nights is 6,018 room nights. Estimated total spending 149 gives you almost \$1 million in the hotel rooms and then at \$125 estimate per day, per room gives you another \$752,000 so the total economic impact for the region is nearly \$1.7 million.

Hotel tax collected between the state and the local is about \$120,000 so originally the budget was \$275,000. So far we only have spent \$261,000. There are a few outstanding invoices approximately \$2,000. We are going to be at \$263 so we are actually under budget for the championship. Again, that does not include the separate agreement that was made with CISD for some of the capital improvements at their facility.

What this doesn't reflect is the extra hotel stays that we are unaware of. We do know for a fact that one team showed up on Friday. Because they were trying to get in touch with us Saturday see if we could hook them up with rodeo tickets because they want to go to a rodeo.

We know at least one team came at least showed up on Friday. We don't know the number of other teams at stake. We know of at least two families if not more that left the championship, drove to

Galveston and then took a cruise out of Galveston. The economic impact of this is not just this region, it's actually now reaching in the greater Houston area just like the super bowl.

The super bowl does not affect just Houston. I think the economic impact is about what we expected about \$1.7 million. Using the conservative numbers that we do per spending I think we again had a direct economic impact from the NCAA that also does not include and many of us had this conversation.

Last time we talked about the additional NCAA is what is the value of Shenandoah's name being mentioned on all the social media sites, the local newspapers, the NCAA print magazines? The champion in your city, the brochure that they gave for everybody that bid on these last four championships it says, Shenandoah Texas twice. Their spring championship magazine was mentioned in it with that.

In 2013, the spread actually looked again this week. The spread for the division three swimming diamond championships was one and a half pages and it had Shenandoah all over it. The division one and division two championships only had one page. I can't tell you why we had one and a half pages but we did.

In 2013, they've made some changes. I did not look at it this year - in 2013. I believe in 2015 when you go to the web version of the NCAA broadcast online, we were in front of or ahead of March Madness. When you are trying to go get on March Madness in 2013 - and I believe it happened again in 15 - you saw Shenandoah, Texas when you were looking for March Madness.

There's no way to equate a dollar value to the free advertising or the indirect benefit through that advertising. I don't want to say it's free because hotel, motel did pay to sponsor that event. That is the economic impact and the expenses. In addition, I believe it raised about \$2,000 something for the scholarship. Darrell is that correct after expenses? Darrell or Jennifer.

Councilmember Frazier: After expenses, it was about \$1,700.

Mr. Smith: \$1,700 for the scholarship. \$1,700 is a direct benefit that went back to our residents in their--

Councilmember Frazier: Our resident youth.

Mr. Smith: The scholarships that they are eligible for.

Councilmember Frazier: Right.

Mr. Smith: Any other questions on that? Then you see the expense report. You got something, John? You look like you're about to--

Councilmember Houston: I just wanted to not let it get by without saying that the staff did an incredible job putting this together and all the people that we talked to had a wonderful time; well received. It's a great event and a lot of people will remember the experience they had. Staff put a lot of time into this to make it happen and I think it's a great process for the city.

11. Discussion and possible presentation by the involved parties regarding intersection improvements at David Memorial Dr. and Tamina Rd.(1:01:00)

Mayor Wheeler: Okay. We'll move onto item 11. Just as a reminder, we tabled item four which was discussion and possible presentation by involved parties regarding the resolution for Entergy. We will have that item probably after number 11. We'll go into number 11 first, give our guests a chance to catch up, and then we'll circle back to number four. Item 11 is discussion and possible presentation by the involved parties regarding intersection improvements at David Memorial Drive and Tamina Road.

Mr. Smith: Council, as you recall a couple of months ago this was brought up during council inquiries and then we had a little bit of brief conversation about the intersection. Brown Associates have done a study and you have their recommendations but basically it is exactly what we discussed. If we go forward with this project, it will be taking the two-lane left turn from Tamina Road going eastbound and changing it to one left turn going northbound, one lane going eastbound onto Tamina and then one lane being a right hand turn lane going southbound.

It is exactly what we discussed as well as going from David Memorial. South bound we will do the same thing, turn one lane going to westbound onto Tamina, one lane going southbound through David Memorial, and then one lane turning left and going back eastbound to David Memorial. No changes are recommended on the northbound because it is exactly what we want; one left, one straight, one right.

The cost of this will be very minor. It is basically just repainting and signage. If council agrees with this then we would get a cost assessment, bring it back to you, and either we can address it immediately or we could potentially put it as a capital project and deal with it next year. I have talked to the county as well, they can re-signalize everything fairly easy. They are recommending a complete replacement of that box. Not necessarily a requirement to do this project but they are recommending it and Darrell will discuss that later on the MDD update.

Councilmember McLeod: One question as someone who's on that specific intersection twice a day five to six days a week, I'm a little concerned about the blinking yellow light on the southbound David Memorial. I didn't know if we looked at traffic studies on that and I'm concerned because on David Memorial, particularly during school days, that's full of very inexperienced drivers.

Mr. Smith: Actually, Montgomery County's traffic engineer will have to sign off on the flashing yellow light before it is installed because currently that is a county light. Darrell can address also that from an engineering standpoint.

Mr. Wind: It has not been studied by Bleyl and it's more of an efficiency matter. One of the recommendations we did have in our letter was that Bleyl would like to be on site and observe the traffic patterns before we make any of these changes, to make sure-- a second look at it to make sure that we don't have any issues with the proposed changes. That is something that's included in what we're proposing.

Mr. Smith: Mike, with your specific question, the county, if I understand it correctly, talking to Charles Cobb, that that light can be programmed to during one o'clock to four o'clock there is no flashing yellow light. From six o'clock til nine o'clock in the morning, there is no flashing yellow lights; it's all protected. I believe they have that ability to do that with the box. Now, the box may have to get changed out for that but that's, again, something that MDD will be discussing.

I believe if what Charles told me, what we did on Research Forest, that we have the ability to turn that off and they actually do that. It is actually turned off during rush hour on Research. We could set those times to protect the younger, less experienced drivers. Doesn't mean it won't stop the rest because half the people that run it are the seasoned adult drivers that are in a hurry to get there.

Councilmember McLeod: That's great. That's good to hear. I bring up this intersection because it's been a bit of a buggy intersection for quite some time. I'm assuming we're keeping this intersection in mind as we look towards expanding David Memorial and making the connections, complete re-engineering may be required here. The traffic through this intersection is going to change significantly once we get David Memorial connected all the way to 242. That's going to be a fairly major-- and that's going to be a central choke point for stuff that's going on.

Mr. Smith: Agenda item number 17, we can get exactly into that because we had that discussion in a strategic planning workshop with MDD and Darrell and Ritch and I can go over that a little bit later.

Mayor Wheeler: Okay, anything else? Thank you, Derek.

Mr. Wind: Sure.

4. Discussion and possible presentation by the involved parties regarding the following Resolution:

A RESOLUTION OF THE CITY COUNCIL OF SHENANDOAH, TEXAS, IN SUPPORT OF A PROPOSAL BY ENTERGY TEXAS, INC. REGARDING THE APPLICATION OF ENTERGY TEXAS INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT MONTGOMERY COUNTY POWER STATION IN MONTGOMERY COUNTY IN PUBLIC UTILITY COMMISSION OF TEXAS DOCKET NO. 46416. (Taken out of order – tabled from earlier) (1:06:18)

Mayor Wheeler: Let's circle back to item four. Let's take a quick five minute break. We have been at it for a while. Let's just take a five minute break and then we'll circle back to item four.

(Reconvene after break)

Mayor Wheeler: We're one man down but we're going to get started here. Mike's already heard the agenda item, anyway. Let's circle back to item four: discussion and possible presentation by involved parties regarding the following resolution. A resolution of the City of the Council of Shenandoah Texas in support of a proposal by Entergy Texas, Inc. regarding the application of Entergy Texas, Inc. to amend its certificate of convenience and necessity to construct Montgomery County power station in Montgomery County and public utility commission of Texas docket number 46 416. Here with Entergy we have Doug McCormick. Doug, would like you to come up and introduce yourself and just maybe give a little bit of a presentation on what this is all about?

Doug McCormick: Thank you.

Mayor Wheeler: Maybe just slow walk it so Mike can get in here. There he is.

Councilmember McLeod: Ron's not here so I had to get the coffee.

Mayor Wheeler: Got you.

Doug McCormick: Well, when you're in the electric utility business, the only thing worse than being late for a meeting is the power being out when you get there. I guess it could be worse. My apologies for being a little tardy here tonight. It sounds like you guys have already had something of

a briefing on this so I'm going to make this pretty short and sweet. I would like to give you just a few facts and figures about the plant that you may not have heard.

First, I just have to say that all of you are aware of the phenomenal growth in this area. It seems like every time I come to one of your council meetings, you guys are wrestling with it up to your eyeballs. It's just the name of the game in this area. Montgomery County is the fastest growing spot in Entergy's entire four state service area which covers this part of Texas, just about all of Louisiana, Arkansas, and about half of Mississippi. I don't think it's a secret as to what's been going on around here and what we're going to continue to see. I don't think you could stop it if you wanted to at this point.

With that in mind, all this growth creates a huge demand for electricity and that's what we're facing. That's what we're looking forward to as far as planning and trying to have exactly what we need in place not to hinder any of the growth and economic development that's going on in the area. We've started the process of getting the PUC's approval to build a new plant on the side of our existing Louis Creek plant. Some of you may be familiar with that, it's up on Lake Conroe just off 297 west of I-45. It's some property that we've had up there for a long time. We have our own reservoir up there for cooling water.

It's a great spot to be able to put this plant since we do have enough space there to put it on the same property along with two existing units that are already there. It'll save us money in terms of the property itself, not having to go out and purchase a new property as well as having the cooling water available to us there. We also have a lot of transmission lines in the area already and some other infrastructure.

That's a big part of the plan. We are going to build a plant that will be fired by natural gas. It'll be produced right here in Texas and it'll have state of the art efficiency and clean energy technology. The new unit will be about twice the size of our two existing Louis Creek units combined. They're about 500 megawatts. This one new unit will be 993 megawatts, this new standalone unit. Construction of the new plant will create 25 to 30 permanent jobs in the area, about 2,800 construction jobs, and about another 4,200 related jobs, construction jobs and supplier jobs, that type of thing. It will bring millions in economic activity to the local economy.

As far as the timeline goes, it is critical that we plan now to start building the plant to keep up with the growth, as I've said. We're projecting shortfalls of 700 megawatts in 2021 and 1,200 megawatts short by 2022 if we don't get some capacity in place. Without our own capacity, we'd have to rely on purchased power to a larger extent than we do now. Purchased power has always been part of our mix but we don't want it to be a huge part of our mix because then we're dealing with price swings and other uncertainties on the wholesale market. Much better to have your own capacity where you can control it and draw on it when you need to. We're now going to the PUC with a goal of getting their approval by October of this year to go forward with the plant. Construction to begin in the first quarter of 2019 and have the plant in service by June of 2021.

The question we normally get when we have any proceeding before the PUC, a lot of times it has to do with rates, etc., is who's your opposition? Who's against it? Well, there is a coalition of cities, as you're well aware of- I think you guys are actually a member of the coalition of cities. We serve about 66 cities total in Texas and this coalition of cities has banded together to be represented at these proceedings even though all of our cities in Texas have original jurisdiction in rate filings and other proceedings. This group has come together. They have their own attorneys, etc., as you well know. A lot of times they're only other side of some issues that we go and deal with at the PUC, like say when it comes to rates, etc.

In this particular case, we're on the same side of the fence. They see the need for this, they want this power, they want us to be able to provide it to foster the growth that we're all seeing. As a matter of fact, I think Greg heard in a chamber of commerce meeting the other day, I was talking to Vicky Rudy over at Oak Ridge North and she said, "We already received a resolution from the coalition of cities," and I thought, Oh boy, I wonder what that says." She gave me a little peek at it and actually it was our resolution that we're putting out as a sample that they had forwarded to their member cities. That tells you how much we are on the same page with this.

The other party or parties that may intervene in the case would be our industrial customers. They intervene in just about everything that we do. They're very large consumers of power, as you might imagine, and they always want to have a seat at the table. That's going to be no exception this time.

Again, we're experiencing a whole lot of support for this plant. We haven't built a plant of our own since - I believe it was 1972 the last time we built a plant. It was a Sabine station over in the bridge city area. The other benefit of this plant being over here is - I'm sure you recall Ike and everything that went with Ike, including all of our transmission lines that went with Ike straight to the ground. We had no power coming from the east which is where all of our power is flowed to this area with the exception of those existing units up at Lewis Creek. Having this additional capacity right here will be a great benefit, especially to our western division. We're excited about that for our western division cities.

The effect on bills is another question I've received. We're estimating that the effect on an average residential bill, which we normally look at 1,000 kilowatt hours as just an average residential bill, would be about \$3.65 to get this plant built and online. As the law reads now, we can't start charging for a facility like this until it is actually in service and, again, we're looking at June 2021 to have the plant in service. It wouldn't be any immediate effect on rates and actually for a plant like this, we would expect typically a larger impact than that on rates but the interest rates are very favorable right now and also fuel prices are very favorable. When you double those low fuel prices with the efficiency that will be built into this plant, it's going to be a very good deal for our customers.

With that, the reason I am here is to call attention to the fact that we are asking for support from the cities in the form of resolutions. We have started this a few weeks back. We're also going to other organizations like the chambers. The wardens of the chamber the other day, Greg was there for that meeting, when they voted on this. Their governmental affairs committee, they voted anonymously to give us a letter of support. I believe we've approached just about a little over 40 of our cities today, of our 66 cities and have that many resolutions either in hand or going through the process for being approved. There hasn't been one city that's declined to support us on this.

Those are the facts. That's the ask and with that I need to ask if you have any other questions.

Mayor Wheeler: Anybody got any questions for Doug? I'm good. Thank you for coming and explaining that to us.

Doug McCormick: You bet. My apologies for being a little late, once again.

Mayor Wheeler: No worry. Okay, good.

12. Discussion and possible presentation by the involved parties regarding funding of water plant #4
(1:21)

Mayor Wheeler: We'll get back on track then with item number 12 which is discussion and possible presentation by involved parties regarding funding of water plant number four.

Mr. Smith: Council, as you've recalled, this been something that has been discussed for multiple meetings and the last meeting the council asked staff to ask our auditor, our financial adviser, and our bond counsel their thoughts and processes on funding the water plant number four.

You see all upfront, there is no regulations prohibition or anything of using general fund reserves to pay for water plant four. There's certainly some considerations that the council needs to look at. You basically have all of them in front of you, and they're vary. You know the auditor, we have a healthy fund balance. It will, according to him, take our fund balance down to 45% from 92%. The 45% still exceeds the 60 day recommendation by the GFOA and the 90 day recommendation from S&P.

Obviously from an auditor's standpoint as he says in the second questions, unless your interest rate is less than what you can earn, in his opinion, using cash could be a good use of that money. Obviously what we're earning in interest is less than what we're paying.

Again, going through the enterprise fund, which is the water and sewer, we exceed expenses by 42%, before transfers out. Assuming that transfers out are not consistently that high, enterprise fund would be able to maintain a healthy operating income with the added debt issuance which is potentially true.

Effects on credit rating are difficult to determine because of debt to equity ratios, liquidity, etc. Also, if there's a trend of reducing the fund balance, it would best to ensure that this is not a recurring trend. Audit findings proper steps for approval followed by the city ensure to maintain at least 90 days reserve, would have no audit finding using the reserves.

John Martin from our financial advisor, interfund transfers are not uncommon for many things, for example, utility fund may pay for general fund, part for it shared the city related operation such as staff and office space. We do that; it's very clearly documented. We do that. We do not believe that this is the best practice for funding capital projects. It is important that funds support the assets within that fund.

The next question, professional opinion and best practice for the use of debt versus reserves to pay for capital projects. A good program for pay to go is less costly projects such as ongoing repair maintenances is commonplace, spending down surplus for capital improvements, should be very carefully budgeted while considering other long term capital improvement needs. It is important to understand the benefits that municipalities have in the issuance of tax exempt bonds. Municipalities essentially have an inflationary hitch to allow them to build their project when need, at the very low interest rate. If municipalities have to wait until the fund are available for the project, it's more than likely that the cost of that project has increased to a significantly higher price than what the project was actually needed.

So if you have to pay cash for it, it may take you longer to get that cash built up and the project would cost you more. Specifically enterprise, any other professional opinion best practices, that you might think specific to our situation, i.e, enterprise funds being self-funded and at what level is critical that various city funds can carry their own weight. For example, the rates and charges of utility should be set in a way that they can pay operation maintenance and any debt associated for that single fund.

Is there any short, long term effects on a credit rating or audit finding by the depleting our reserves? Absolutely. The city's AA+ rating would be greatly jeopardized with a major depletion. If your level of credit ratings typically sees a minimum fund balance of 35% of budget, and if any surplus over that at minimum amount is to be drawn down, it should be planned budgeted draw down over a period of time.

Responses from Jonathan Freils, our bond counsel, basically summarized all the questions. And addition to the information John provided, there're a couple other policy considerations often affect entity's decision to respect for funding enterprise fund related projects with general fund dollars. First, water and sewer systems often have a broader rate base than the city's tax based. In other words, the city's water and sewer system serves entity and individuals that do not pay ad valorem taxes to the city. Including customer that are located outside the city of a corporate limits of the city when the water and sewer system projects are paid with water and sewer revenues, all of the users of those services whether they pay property tax or not, live in the city, bear the cost of the improvements. When the projects are paid with general funds sources, the cost fall to the tax payers and generally exempt the customers who are outside the city limits. In some ways, this could be viewed as the subsidy for outer city customers.

Second, some entities prefer to fund long live capital improvements with debt in order to spread the cost of the project over the life of the asset in an effort to have the individual who benefit from the improvements pay for the improvements. The audit partner, Anthony Cardiel from Brooks and Cardiel basically said, "I agree with the other two advisers what they've told you so far. I think Jonathan is absolutely correct about giving a subsidy to those who live outside the city limits but is that an issue for Shenandoah?" Something that we have not discussed in any of our conversations. All this has all been discussed previously. We've heard all this; none of this is new. Anthony did bring up something that we really did not ever touch on: if you issue debt as capital project and then transfer the asset to water and sewer fund, repayment can be made through the I&S tax. Currently that is a nice tax deduction for your residents or if you run it through water and sewer bills, those are not tax deductible. I don't recall how much debt you're issuing spread over 20 years and may not make that much of a difference; just another consideration.

We never considered taking that out as a general fund debt, transferring the assets to water and sewer and possibly having a little bit of a tax rate increase, and then it is deductible on everybody's taxes. That was something we have not discussed because that's a very good point that was not discussed.

With all of that said, it is again truly a council decision whether we do debt service and we pay for the project - everybody that's using the project pays for the projects. That is generally the way water and sewer works because the Sam Moon project, which is going to be a heavy water user at Metro Park Square, they will not pay one dime for this water plant and they would be a huge benefactor. If we use general fund reserves to pay for it, they've not pay one dime of property tax out of the reserve funds that is going to pay for this plant. Now, is that a big consideration? That's a council decision. You have all the information and I'll turn it over to the council.

Mayor Wheeler: Anybody have any question or discussion? Comments?

Councilmember Houston: I'll just continue to support maintaining reserves. If we reduce reserves by 50%, we understand that if Portofino was wiped out with a tornado, we'll reduce our reserves to maybe a four month rather than nine month possibility. We know that can't be rebuild in four months; none of that can be rebuilt. I would just maintain that I think the best way to go is to do a long term life of the project, life of the well debt.

Mayor Wheeler: Thank you John, anybody else? Mike?

Councilmember McLeod: I'm looking at the water and sewer enterprise fund. We keep talking about reducing the reserve, we're talking about spending general fund dollars. We're talking about paying for this entire project out of general fund dollars. Look at even just the water and sewer enterprise has almost 1.6, we'll call it 1.59, project costs 1.75. It's only a difference of 140k - \$140,000 difference.

One option could be that this fund pays the bulk of the cost and borrow some money or take some money from general fund. We can actually loan-- one of the possible ways to handle this is we can actually effectively loan the money to ourselves from general fund to the enterprise fund and just pay it back, the same way we'd pay a bond back. That's a possibility. We could also split the cost between the money that's in the water fund and the general reserve without having to dig in.

The other question is, I understand and if we don't have an estimate yet, we will on the budget, but how much more money we're bringing in this year than we thought we had. That's another possibility.

Mr. Smith: I can answer the second question for you. We'll run the analysis of where we are year to year. The thing we have to keep in mind is the summer months is your heaviest water use. If we have a wet summer, our monies for this year could be drastically changed. If we have a dry summer our revenues could drastically change. You could have a large swing based off of a dry wet. We can certainly run those numbers of how much of the budget is before the summer months and how much of the revenue comes in after the summer months. We can certainly do that.

Mike, your point of taking it out of water and sewer first and then subsidizing if we need to with general fund, you certainly can do that and that may be a good option. That way we're not taking out debt but we're not paying for it with general fund dollars. Then the city could, and again, when we go back to what was originally recommended in 2010 with the rates study, is that there was some discussions about having a regular rate increase to where we didn't have to do a large rate increase. It's 2017 and we haven't raised rates since then because we've done good. Again, we're running into the same situation we were in 2017 that even if we don't borrow the money, at some point in time you're going to need money for water and sewer projects. There's \$500,000 of projects that the council in the first discussion put on the chopping block of looping the lines down on the south side between Pinecroft and Medical Plaza just because we didn't want to go out for that debt.

Those are long term projects that have been on our books for years, probably since 2010. We just had the discussion about the clarifier. I certainly think even if we don't go out for debt, we do need to look at our rate structure to make sure that we have enough money to either pay back the money that we're borrowing from ourselves or continue because all the extra revenue we've put, if you remember the slide from the presentation we saw this, we've put three million dollars into the water and sewer system since 2010. There's still more projects that we need to do, none of which are a million-seven project like this one, but we still do have other projects.

Councilmember Teague: I just want to ask for clarification, Mike. Are you suggesting that we use the entirety of the water sewer fund reserve balance?

Councilmember McLeod: Not necessarily, you want to look at it. This is where the wet-dry-- you want to make sure you've got a little bit left over to handle operations but take the majority of it from the water sewer and either loan, give whatever but basically borrow from ourselves, our reserves to take care of that.

Councilmember Teague: So essentially the beneficiaries of this water plant would not be--

Councilmember McLeod: They would because, I agree with Greg, at some point we're going to deal with the rate structure, so you would pay the general fund back.

Councilmember Teague: If you raise the rates in the future.

Councilmember McLeod: I think everybody is--

Councilmember Teague: Not necessarily.

Councilmember McLeod: Not necessarily. We've got to check out the summers and see what the best structure is.

Mayor Wheeler: Anybody else, any more discussion? No? Okay. We move on to item 13--

Mr. Smith: Can I get a little clarification? What do we want to do with this agenda item? We haven't spent any money on the plant, we have a contract that I believe the Mayor signed-- that contract you signed today or will sign tonight; the big box that's on your table?

Mayor Wheeler: Yes. I have some contract I have-- is that the water plant Derek? Yes, there's a big box on my desk.

Mr. Smith: Okay, Kenny's saying yes. Water contracts we'll sign, we do need to look at moving this forward at whatever the schedule the council wants to but I do want us to just be mindful that we do need to take some action on this fairly quickly because we've been discussing it now for 60 or 90 days. Do you want this back on the next meeting or just wait till June?

Mayor Wheeler: I'll be fine to wait til June, unless you all think differently.

Councilmember Houston: Yes, we wait till June for the new council.

Mayor Wheeler: Yes, in fairness to them. You're in agreement?

Councilmember Teague: I don't care.

Mayor Wheeler: Yes you do. I know you care.

Councilmember Frazier: Any decision we make tonight is going to be discussed again so tonight's discussion doesn't matter.

Mayor Wheeler: Agreed. Okay. Put it up in our workshop in June to discuss again. Got it.

13. Discussion and possible presentation by the involved parties regarding trash service. (1:37)

Mayor Wheeler: Okay, 13: discussion on possible presentation by involved parties regarding trash service.

Mr. Smith: Council this is a real short one. There's really not much there. What council asked us to do was go back to the trash contractor and see what could be worked out. Here's where we're at. They're working on prices to see if there could be cost savings if we modified our trash service. We had a recent talk about keeping the back door service. That is one of the modifications that could potentially save money. I just think council needs to look at it.

The other issue was when we were talking about the trash and the time people put it out it just leaves out there and makes the city look the way that it does. The question was could it be transferred to Monday. The answer is yes, we probably can take the trash service to Monday. It could not start until September. As far as running the street sweeper on Tuesday instead of Thursday-Friday, yes, that could be done. I will tell you I think that may have a reverse effect of what we're looking for. It may certainly take care of the problem of the situations of glass, but that is republic services' responsibility to clean up anything they break.

If we have that, if residents will let the staff know, we will get that taken care of immediately. We have run the street sweeper on multiple situations, but running it on Thursday-Friday we get a lot of good comments from our residents because for the weekend, it is cleaner as well as we've run it most of the time if we have a major storm or we've got a lot of pine straw. We run it because part of the reason for having a street sweeper is preventing all that pine straw and stuff to get into our storm sewer, so we don't have backups. Candidly, I think since we've started this program seven years ago, Joseph have we had any storm sewers have any clogs or problems that we've had to alleviate?

Mr. Peart: Not that I can think of.

Mr. Smith: We are welcome to doing it the day after trash day. I think there is some merit to that but, I think the system we're using right now has also done very well for the residents and the storm sewer system but we certainly can change that without any problem.

Councilmember Frazier: I will say that after, I think it was last week or two weeks ago after a trash pickup that they had almost every house on Enchanted there was glass and stuff so I did send Joseph an email and he contacted the republic and this week it was clean. If anybody ever sees that stuff, just contact public works and they'll get it taken care of.

Mr. Smith: From a staff standpoint, we have implemented with republic, we've had a meeting with republic and their supervisors to make sure some of the freak situations that happen and I'll give a couple examples. Somebody puts construction debris inside a trash can. Construction debris does not count as bulky waste. If you are building your house, you're not allowed to put two by fours, you're not allowed to put sheet rock. If it's construction debris, they will not haul that off as bulky waste. We have a lot of residents that don't understand that and they will put that bulky waste out there.

Well, I've had a conversation with Joseph and I've had a conversation with Republic, they'll let us know. We may go take the backhoe, pick all that up, dump it into the 30 yard roll off here because eventually they can cut it up into enough small pieces and hide it in the trashcan. It's all going to end up in the landfill anyway. We're spending more time and effort correcting a problem that we don't need to, that it would take half the time if we would just go pick it up and get it in the proper dumpster. We've already implemented some of those plans and processes since this came up a month ago.

Councilmember Frazier: Go ahead Mike.

Councilmember McLeod: We talked about this last time, the Monday pickups versus Tuesday in terms of various holidays and those kind of things. How do those two things compare?

Mr. Smith: Monday will absolutely have more holidays.

Councilmember McLeod: Right.

Mr. Smith: There is no question about it. The holidays that republic goes is different from what residents do. I'm not as concerned about the republic holidays because they are Christmas, Fourth of July, Thanksgiving Day, and New Year's Day. There's only four holidays that republic takes. I think if city hall is closed, which we're closed a lot more of those days, it could cause a lot of confusion that, "Okay, the city's closed but the trash company's still coming." It's going to be education for the residents but holidays always cause a problem for the trash collection.

Yes, the Monday issues would cause us a lot more confusion from the citizen standpoint of holidays. I will check with republic, I don't necessarily know if the holiday falls on a Sunday, if republic observes it on a Monday. I don't know that we asked that specific question but we can find that out.

Councilmember McLeod: Yes, it'd be good to find that out.

Mr. Smith: We can.

Councilmember McLeod: We're talking about trash, right now you're just looking at change in the collection day, is that right or are we looking at a whole bunch of different options?

Mr. Smith: There was more discussions than just the options. The mayor brought up going back to two times a week pick up because there some younger families that have kids that their trashcans can't handle just once a week pick up. We are asking Republic to give us a price of what it would go to be two week containerized services. Which means you would have to roll can out to your street and their truck would come and pick it up. We may be able to go two times a week for the same or less money, or go to containerize once a week, we may be able to save a lot of money. Then we'll just have to figure out how to do bulky waste.

I think if we do a bulky waste on a certain week of the month, let's say the second Monday of every month is bulky waste pickup, you may alleviate some of the problems of people putting trash out on every single week to do that. The other option you could do, and again it goes back to what council wants and Republic will charge us, is it's a call basis. If you have bulky waste, you call Republic and the will come on that Tuesday and then they keep up with what they're collecting and that way they don't have to run that truck down here every single day. If nobody calls the truck doesn't run so it's cost savings to everybody.

Councilmember McLeod: What does a resident do then for-- you mentioned construction debris in general, water heater floods you got a bunch of wet sheet rock and you take it out. How does a resident get rid of that?

Mr. Smith: You take it out as the resident or contractor?

Councilmember McLeod: Yes, the resident takes-- the place is flooded, you take it out, obviously sheet rock you got to put in a bag anyway but a wet sheet rock anyway or you replace a toilet, or you replace a cabinet. How do you handle those types of items if they're not generally being picked up?

Mr. Smith: It's a case by case situation. If you're replacing five toilets in your house and that's all you have, the easiest thing would be to have your plumber take them. Most people would have a plumber replace five toilets in their house. If they're doing it themselves, they could call city hall and we would try to accommodate that request. We have trash bash so we have some advantages and some assistance that we can give the residents. We have thirty yard roll off here. If the resident called and say, "Hey, I just replace five of my toilets, where can I dump them?" I would certainly

assume that our staff is going to say, "Hey, bring them up to city hall and we'll put them in the thirty yard roll off."

If you have a contractor doing the work, you need to be paying your contractor to haul them off. If you're doing a major renovation as several people in this room have done, that individual really needs to budget for a thirty yard roll off to be placed in their driveway or-

Councilmember Teague: Or four of them.

Mr. Smith: Or four of them.

The other option is, some of this trash services I know Waste Management offers the big green bags that you put in your driveway and we've actually had residents use the big green bags. It's not considered a residential pick-up so it is not covered by the franchise management. They're allowed to use the Waste Management big green bag in the city.

I think we have multiple options that we can help the residents, but what the residents can't do is just assume, "Okay, I'm going to put three feet of sheet rock out of half my house out on the driveway and that the trash company's going to pick it up because they will not."

Councilmember McLeod: That's good. Again, it comes back to a lot of other things. Increase in communication, making sure they're aware about how to take care of it, what their options are, if the trash doesn't get picked up. Rather than just a sticker that says, "Hey, it's not going to be picked up, here's your options. We don't pick this up because it's construction, here's some options for you to handle it."

Mr. Smith: They will not do that, the staff will do that.

Councilmember McLeod: Yes.

Mr. Smith: The sticker's still going on but what we have instructed Republic to do is if they are not picking up the trash, they are supposed to report that to the front desk every Tuesday before they leave and then the city is going to follow up with that resident to make sure that we can try to get that accommodated, whatever we can.

Councilmember McLeod: That sounds great.

Councilmember Teague: In the years you've been here Mike, have you had an issue with nothing getting picked up from your house?

Councilmember McLeod: I was literally joking with Joseph the other day, literally last week. I think it was probably that same week that they left glass everywhere. They left a piece of wood but other than that, I've not had a personal problem. I've had people tell me but they've been...

Councilmember Teague: If you've had a toilet out there, that toilet has been picked up?

Councilmember McLeod: No, I've not gotten around to putting out my toilets.

Councilmember Teague: Okay.

Councilmember McLeod: That's coming, but not yet. No, I do know someone that has tree stumps typically is the biggest concern and that was a size issue of course.

Councilmember Teague: Right, that's legitimate.

Councilmember McLeod: My issue is follow-up. That's what Greg's just let us know that's what we're going to be doing, so I'm good.

Mr. Smith: I can tell you--

Councilmember Frazier: Not going to be, that's what we've been doing.

Mr. Smith: Anytime you have a change in a driver with a trash company, it can start back over like they've never been in the city before and that's just the nature of the beast. A great residential trash truck driver gets promoted to commercial and they make more money. They get to have better working hours. As soon as you have somebody good that knows your route, nine out of 10 times, they're going to get promoted. This has been an 18-year problem that I've dealt with in every single city. It's not uncommon and we have to stay on top of it. About once a quarter we have a new female supervisor from republic that seems to be very in tune. We had a situation that happened a couple of weeks ago that they had a manpower shortage. What a lot of people don't know is republic services sometimes hire temps and the temp company didn't have enough workers. Well, they started running late. They tried to tell us they weren't going to pick up our trash on Tuesday night that part of the city was going to get left. A phone call was made and they came back out after six o'clock and finished dumping the city. You have to stay on top or they will get lackadaisical.

Councilmember Teague: My experience is if you put a few Gatorades out there and say, "Thank you for your service," just like you do in your mailbox, for the letter carrier, you will get exceptional service from them time and time again.

Mr. Smith: Exactly. That was proven by when we had SCR construction here, when we had residents taking to the flagman for SCR, taking them Christmas gifts, baking them cookies, taking care of them--

Councilmember Teague: Coffee

Mr. Smith: -coffee. Absolutely, if the residents take a little bit of effort to thank those people, they will do wonders for you. You are absolutely right, there is complete inconsistency. Construction debris to-- and we've had this concern. Construction debris, a bunch of broken up ceramic tile, obviously that's construction debris but a rolled up carpet is not? It's still removing a floor. It's really in the definition and in the eye of the beholder who's having to deal with it and that's why we require them to tell city hall when they don't pick something up so we can go look at it and say, "Okay, is this a ten-minute pick up and we can resolve this issue right now? That's what we're going to do."

Mayor Wheeler: Very good. Anybody else? No? Okay.

14. Discussion and possible presentation by the involved parties regarding meeting minutes.
(1:51:39)

Mayor Wheeler: We move on to item 14 which is discussion and possible presentation by involved parties regarding meeting minutes.

Mr. Smith: Council as I recall, you guys wanted this to be brought up. I can put it to you in a very simple standpoint. This does give us better accountability; this does give us better transparency. The only way this works is if councilor members read what they say and correct their own comments. If you are not willing to read what you said in the council meeting and let Kathie know what needs to

get corrected, then it will not work because other people cannot read and look at what other people said.

I can tell you and Kathie will agree with this, the time that it takes for staff to do it has been cut probably by a third, if not two thirds. Two thirds and the more they do it, the less mistakes they get because they learn your voice. They know who you are. I think the way we have done the last set of minutes to where you can hyperlink and go to the audio recording, I think we've made it as good as we can and probably overkill for simplicity of getting to it. Storage I'm not worried about, we'll fix the storage issue. That's a non-issue.

But it's going to take the council members reading their words and what they said, even if it's 57 pages, to make it work. If we need to slow down the approval process-- these meetings will be ready by next week, some point in time. We need to send it out to you immediately and we may just have to send them out quicker. You guys have more time to review them as the council members and then comments come back to the staff. If we need to approve them a month late, we can. From my standpoint and after talking over with Kathie, this is really just the council taking the pride and ownership of reading what they said.

Mayor Wheeler: Could we do that and still put the audio-- we're not necessarily approving or not approving the audio, the audio is the audio, so still put the audio up on the website, people can get through it. We approve the written transcript and that may take a little longer.

Mr. Smith: Correct. Now, the only thing we won't have is we won't have all of the-

Mayor Wheeler: Hyperlinks.

Mr. Smith: -hyperlinks set up until we do the final approval. Yes, we can upload the audio the next day. Yes, we have storage issues but those are solved easily.

Mayor Wheeler: Anybody else?

Councilmember Frazier: You're talking about making changes to the minutes before a council meeting or during the council meeting?

Mr. Smith: The way I would recommend it is that we get this transcribed and send out to council as soon as we can. You send the minutes back to us as soon as you have time to read them. If we get all the changes back, then it shouldn't be a problem. We approve minutes the second meeting of every month. The action meeting, you guys as the council, will have the minutes three or four weeks. That should be plenty of time for you to review it. The short week that goes from workshop and then immediate to action, that's a two-week turnaround time so in theory if it takes a week to get the transcription back, a day for Kathie to manipulate it and get the names right, a council member could literally be on vacation and that may have to wait to the following month.

Let's take this month, the meeting in April would be approved in May. The first meeting in May and the second meeting in May would get approved in the second meeting of June. Just giving council enough time to review the transcription because it's a lot of pages to read. When we get into a two-hour council meeting of nothing besides talking, that's a lot of transcription. Everybody just needs to read what they said to make sure the word people doesn't turn into the word party or whatever some of the other comments that we noticed on our last round.

Councilmember Frazier: If they don't read it, it's on them.

Mr. Smith: Yes.

Councilmember Frazier: I've been trying to read everybody's the last eight years and I think they've done a pretty good job of it, but you're on your own now.

Greg: That's my comments, I don't think it's time to scrap it. I just think it's time to have the council maybe spread out the time to where you guys have more time to read the minutes and then you're responsible for reading what you said and making your own changes.

Mayor Wheeler: I think that works. You have April meetings get approve the second meeting in May. May meetings get approved second meeting in June. You're having at least a month between meetings.

Councilmember Frazier: Plenty of time.

Mayor Wheeler: Yes, that seems fair.

15. Discussion and possible presentation by the involved parties regarding ratification of expenses for the CISD Natatorium. (1:56:55)

Mayor Wheeler: Okay, moving on to item 15, discussion and possible presentation by the involved parties regarding ratification of expenses for the CISD natatorium.

Mr. Smith: Council, we put this on here. This was originally budgeted and there's been some questions of whether we should ratify or not ratify it. One time we did, one time we didn't so we put this on here to see if council wants to formally ratify this expense.

As you can see, CISD actually charges upfront. They don't charge us upfront, because we don't pay for things upfront. In respect of our school district when we got the bill, we got it turned in and paid, and now we just want to know if you guys want to ratify it. I think we certainly would recommend that we ratify this at the second meeting in May. It's actually under budget than what we initially thought and if you actually think about a pool rental for Sunday through Saturday, that's pretty inexpensive for what we get.

Mayor Wheeler: I think for consistency we should put this on the agenda and ratify it.

Councilmember Frazier: Yes, absolutely.

Mr. Smith: Yes, that's our recommendation.

16. Presentation of committee updates. (1:58:15)

Mayor Wheeler: Okay, moving into item 16 presentation of committee updates.

Mr. Smith: We have a couple, first one is the charter committee. They met again this month and they are working through some of the more detail-oriented dealing with the council specifically and voting number. We're going to get into potentially some maps and look at member districts versus out large positions. I think that committee is continuing to move on. We did have a little light attendance in the last meeting but other than that, we did have one person join by conference call. The conference call option for the committees have been working well.

The second committee, park committee has not met. There hadn't been really anything else to monitor or to discuss there. We are continuing to monitor what happens at the Toddler Park and check to see how the improvements have done. I think that's moving along.

Then the last one that I can think of up top of my head is the fiber at home committee. We met today. I don't have any formal action, we're sending the tackers an email on the contract. They have sent back contract provisions, we've reviewed those and are sending them an email regarding that.

Councilmember Teague: Special event.

Mr. Smith: I'm sorry?

Councilmember Teague: The special event?

Mr. Smith: Special event center has not met the last couple of months due to scheduling conflicts and actively trying to put together what they've asked for. They have come up with a general idea of size and what they like for the meeting space and type of general stuff. They're wanting to get some prices so we're meeting with the architect or I'm meeting with the architect on Thursday to get them to come to look at what the committee has said and present that. Also with the legislation still in the process in Austin there hasn't been just a huge rush to get anything done. We slowed that one down just a little bit.

Mayor Wheeler: Is that it?

Mr. Smith: That's it.

17. Presentation of Municipal Development District updates. (2:00:46)

Mayor Wheeler: Okay, let's move to item 17 presentation of this of the Municipal Development District updates.

Councilmember Frazier: I have several on this. MDD in our last meeting we talked future projects going forward our strategic planning and such. Ritch, feel free to jump in, you agreed you're the one if I miss something on each one of these. First start off by saying that I know in this last election people have been talking about funding the water plant through MDD. That didn't even come up on our radar. I'm not in favor of that. I don't believe it's a MDD eligible project. MDD is for the betterment of our commercial district and since the Catahoula water well was paid for in full by MDD I don't believe that they should be coming water/sewer fund. With that being said, I'll leave that alone and move on to what we talked about.

We have been discussing for quite some time now and have had Bleyl doing their due diligence in the engineering for our eastside relief pond which we're talking about there. We're doing a combination of the second and third plan of making it an amenity to the city along with doing the eastside water relief for David Memorial and for these totally eastside over there which is much needed. It's going to be in the range-- all these figures are not hard. That's going to be between 10 to 11 million, somewhere in that range.

We're also looking at the Tamina Road - David Memorial Drive to I-45 feeder road; widening it, not including moving the electrical which is very expensive, putting an extra couple of lanes on there. Am I correct on that Greg?

Mr. Smith: Yes.

Councilmember Frazier: A couple of lanes?

Mr. Smith: Yes. The bottleneck on that is on the Home Depot side. There's a large distribution line right at the corner and that's where the road narrows and then widens out once you get past the

corner. That's what we're talking about there. To make sure, Mike, exactly what you're saying, we do understand that that intersection is going to have a larger impact but when we get to another project down here it may relieve a lot of the problems at that intersection.

Councilmember Frazier: Let's see, we go on to the next one. The Tamina Road - Research Forest intersection I-45. What you were saying, Mike, the electrical line over the box that they're talking about for the intersection there. It'll be-- I'm I right on that? I wrote \$500,000-ish.

Mr. Smith: Yes. To widen underneath I-45 you have to move a traffic control device box. It's actually on the-

Councilmember Frazier: South side.

Mr. Smith: -southwest side. There is enough lanes underneath there if you ever lean up against the support columns that you could potentially add two lanes underneath I-45. Fairly inexpensive from a construction standpoint except for that box relocation is probably your most expensive part of that project.

Councilmember Frazier: Next, looking about probably 10 to 15 years out that research forest, it's what we've been talking about maybe even doing an asphalt overlay or something of that sort. As it continues on that extra lane that has been added there they did a poor job of construction to begin with. As it continues to deteriorate we need to look at either replacing the concrete, doing a concrete overlay or an asphalt overlay of that. That's another project in the future that we need to look at and save for.

Another one is the fire department, what the long-term options and considerations are. I'm not going to get into that right now. Research Forest traffic signals, sequencing them all the way through. They're talking with the county on that. The other one is the Vision Park Boulevard - Shenandoah Park Boulevard overpass, a possibility there which would alleviate a lot of work of our traffic issues down there at Tamina Road. That's probably 5 to 10 years out looking at that. That's going to be very expensive but you get a TIP match on some of that, at least I think you would.

Mr. Smith: Yes. If you if you go out five to 10 years-- again, I mentioned this the other day and I'll go into it a little bit in my comments. That overpass, underpass whatever it is because I-45 is actually going to be looking at the way the expansion of I-45 goes and it may end up actually being to where the road goes at grade level and the traffic goes over it. That's the more urban situation and right now we our I-45 corridor is a rural setting and they're talking about changing it to where everything they did five years ago gets completely reversed.

That would be a TIP eligible project. Your match could be as low as 20% - \$30 million overpass somebody else pays 80% of it and you're paying a 20% match.

Councilmember Frazier: Pretty good deal. One of the other things that we talked about and are looking at is as we get to look more commercial development, is the capacity of the sewer plant. We have room on the current plat where our plan is to add more for commercial development. We may need to add another-- what do we call it? Thanks, Charlie. Yes, that, what you said. The last thing we're looking at too is we got most pathways done but there is a pathway and the developers are putting their men on the eastside. I can't even think...I'm having a brain lapse on the name of them.

Mayor Wheeler: Are you talking about Centro and Metro?

Councilmember Frazier: Yes.

They're connecting the pathway that goes in front of Home Depot and then over there to Alexandria Way back to the back where or crosswalk that was put in many years ago is. They will allow people to have access back towards the back and actually direct to the to the relief pond and back that way too if they want to walk over there. That's nine projects right there that were looking at. It's not too many of them that are cheap but it is something that the MDD is looking at has a plan for the future on that.

Mayor Wheeler: Just to jump in; a couple of other little ones that we talked about - I said little ones comparatively speaking - was closing the gaps between Home Depot or right there in front of Home Depot. There's turn into that median if you're eastbound on Tamina you can turn into Home Depot from that southern entrance of their parking lot. That causes a traffic backup pretty regularly-- I'm surprised we don't see more wrecks there-- but luckily everyone's going slow enough that they don't but it just causes a pretty bad backup. We could potentially take that median and run it all the way down and prevent people from being able to turn through there. That would probably help with traffic.

Then the other one we talked about and we didn't talk a whole lot about it but I had mentioned it and I think I'd like to talk about it some more, is traveling northbound on the I-45 feeder road. There's a left turn lane onto Research Forest heading west bound. Then there's a turn lane or go straight. What we talked about was how could we possibly make that U-turn to where it has its own dedicated lane? I think the only way to do that is if you take that either all lane and you make it a U-turn only. Then that gives the U-turn on the I-45 a dedicated lane because no one is going straight out of that lane. They have access to come and then merge into traffic.

That backs up quite a bit. We talked about that a little bit. We didn't come up with a whole lot of solutions for it. But that's one that I'm going to continue to bring up in front of MDD and hopefully we can brainstorm and come up with something there.

Councilmember Frazier: And we also talked about possibly closing the entrance at Home Depot off of Tamina. We talked about on Alexandria Way of Greg talking with Home Depot and such, and Portofino since that's a private road of. Making their entrance over on the north side then instead of the south side of Tamina which would allow an entrance on that side.

Mr. Smith: If I can add just a couple of things on the project that we're talking about, the Tamina-David Memorial intersection. The county will be presenting as a proposal to redo that signal box like what we have done on Research Forest. I talked to Charles Cobb two weeks ago or last week, and that box and the way that box is operating has actually been discussed at some traffic engineering conferences that they've actually presented on because it's a very unique situation and it has been well received. They actually have some other improvements that they may come back to the MDD to continue to help the traffic flow on Research Forest.

I do want to touch on Research Forest just so everybody has a complete knowledge. That road at one point in time was a county road. About six years ago, the city opted to take that back in. The purpose for taking that back in was to give us control over it because we were having some project pushed by our neighbors to possibly put a flyover and an overpass. As you heard, they're still continuing to push some of those projects. We need to stay engaged.

We have taken back over Research Forest. We have written a letter to I-45 asking them to relinquish the intersection controls at I-45-- to Text Stop, excuse me, to release the controls of those signals to us. Then we have given that permission to the county to help do that. But at any point in time, if the county does not signalize in a way that is satisfactory to the city, we have the legal right to cancel that notice with 30 or 60, 90 days. That road, all the signal improvement, everything except for the

poles, we have paid for. We have the ability to cancel that agreement if we want to. There's no sign of us doing that but we do want to protect our businesses and our residents and their interest in traffic.

You see a lot of the MDD focusing on traffic because that's our lifeline. If we don't take care of that commercial corridor and keep people moving in and out of there, it could stifle our growth and then would put a negative burden on our residents because the sales tax is not coming through.

As everybody knows over the last 90 days, we've done a lot of sidewalk projects and we've had a lot of arm chair quarterbacking behind keyboard making comments about the sidewalks. Those sidewalks are used every single day. They're being used while they're being laid. We've actually had to have the contractor ask people don't walk on the fresh concrete because they want to use it. They're being used every single day. With that said, moving north on the east side of I-45, most of the sidewalks are actually behind. On David Memorial, we actually have sidewalks all the way from CBB all the way up to the football stadium. We just had that small section, North by where the relief pond will be going. Then from there, they'll be developer paid for in some of the other road way improvements that's required for all developers to do the sidewalks.

The north side, you won't see on the I-45 feeder road, but we will have sidewalks going all the way to Sam Moon. This did not happen in one meeting. The MDD board actually had a workshop. It was about a two-hour workshop and we had a lot of great discussion about these. I think the plan for the MDD board is to probably have a couple more of these, maybe on a quarterly or a semi-annually basis to work through some of these larger projects.

Councilmember Teague: Can I ask a question? Can I not? Okay. Has anybody thought about improving the boulevard there at Home Depot with City of Shenandoah signage and landscaping in that boulevard?

Mr. Smith: No. That would be considered as part of one of these other projects--

Councilmember Teague: The signs.

Mr. Smith: Yes, the signage and any irrigation and landscape improvements would be in one of those other larger capital projects. It's not been discussed individually.

Councilmember Teague: Well, just a side note. It's desperately needed there and at Wellman Road.

Mr. Smith: Duly noted.

18. CITIZENS FORUM (2:16:11)

Mayor Wheeler: Okay, moving to item 18; Citizen's Forum. Didn't have anybody sign up for Citizen's Forum.

19. City Administrator comments (2:16:22)

Mayor Wheeler: We will move from 18 to 19 which is City Administrator comments.

Mr. Smith: Council, I have a couple and one of them is something that we will be bringing to the council's attention in the future. We had a situation today where a resident got completely belligerent with the front desk clerk to the point she called her supervisor. It was all by phone but we had some residence that are becoming very abusive to our front desk clerk. You're going to see some improvements that I will be making recommendations to this council that will be very

aggressive because we do not need to let our employees get abused by our residents. There is a panic button up there if they have a situation that they feel unsafe. We have some residents that feel that they can call and the one today demanded that we hand him a pool permit today. He says, "This city is ridiculous," and just went off on this employee. To the point, I actually thought the employee was going to walk out today. I will not be surprised if she does.

Lacy, who you got the resignation letter? She stated that while it wasn't the reason she left, the abuse that these contractors and our citizens are giving the front desk is becoming very, very negative. There is a problem that we need to fix. You will be seeing some issues coming forward to protect them. It's not a safety issue. I don't feel they feel unsafe that they are getting abused.

I will give you an example. One of the individuals that ran for council came to me with another resident complaint. This resident called up here and just complained and complained and complained and complained that the city wasn't doing their job that she couldn't get her pool done, and that the city was holding her up. What happened is the inspector failed an inspection rightfully so, and the contractor continued to work. The contractor said that the city was going to charge him \$25,000 access fee to use our green belt. That is a true statement because contractors that use public right of way and public stuff; public access that is not there, they will destroy it and damage it and will not repair it.

We absolutely-- we're going to charge them \$25,000 bond escrow. If they left it in the same shape they got, they got their money back no questions asked. That exact same contractor has taken the spoils from that yard and dumped them over the fence. It has now created a drainage issue for the other neighbors.

It's happening. These contractors, and pool are one of the worst, they don't like the rules because they want to come in, build, and get out. It doesn't work that way. Unless the council wants to change the rules, and if you want to change the rules in less than a month, you certainly can. That is 100% your right. But the issue today is this individual is putting in a pool heater, a gas grill, and a natural gas generator. The plumbing contractor would not provide the size of pipe and the regulator for the city to approve. That is a health and safety hazard, not just to that resident, but all the residents around him. That is something that I feel very strongly about, you can tell it. I want to protect all of our residents, whether they're having the work done or their neighbor, but we cannot allow residents to come up and treat our employees the way it has occurred in the past.

I welcome anyone of you council members or any of the residents that are here, to talk to the front desk clerks and hear the stories that they've done. They've actually made the call for the residents to try to help them get their permits done. Are we perfect? By no stretch of the imagination, but if we make a mistake or we make an error, we make it right. But those two ladies up front, or whoever is up there, do not deserve to get abused by our residents, for something that they don't have control of.

I bring that to your attention because it happened today and if somebody walks in and quits tomorrow it would not surprise me, it was that bad. It was bad enough that by the time I got notified, there were four men standing up there, because that's how bad it was. It was all over the phone, but it's something that we need to keep in mind and you'll see those improvements coming in the future for that.

The second one that I have is just an update on transportation. Just so the council knows, I recently was appointed to the chairman of the RTP subcommittee at H-GAC. I am now serving as the second vice chair of TAC. I'm the chairman of the RTP subcommittee which is a fairly large, important subcommittee as well as I'm working on two working groups with the transportation. One of them

dealing with the TIP subcommittee and another one dealing with the TIP call for project criteria evaluations. I just want to let you know those two things. With that I'm complete.

20. Council's Inquiry (2:22:18)

Mayor Wheeler: All right, thanks sir. Moving to item 20, which is council inquiry, we will start with Councilman Frazier.

Councilmember Frazier: Well, since it's my last full meeting, I want to tell staff that it's been a pleasure, a pleasure, to work with you guys. And I can't express the professionalism that you guys exude. The changes that have happened in the last eight years since I've been here; the way that you all treat residents is phenomenal. You tried to get things done in a very timely manner. I just want to say it's awesome, it really is, to see those changes and to see the changes that have happened in the city. To go from the reserves now, to what we had, to all the projects that have been done, the councils that we've had. The more I've learned about things, to see, even councils that started this, thank you Charlie.

That's about it, that it's a learning experience and it's hard to just jump into this job and do something the right way. You got to learn and there's a lot to learn. And, Jean, John, Mike, I appreciate the effort and the time and bridge that you've put in to learn. It's an ongoing learning process. Thank you. That's all I got.

Mayor Wheeler: Thank you Darrell, Councilman John Houston?

Councilmember Houston: A couple things, I want to echo Darrell about the involvement with the staff. When I come through here, I spend a lot of time talking to staff. I enjoy patting them on the head, tell them, "A good job," and I have a very easy relationship with these guys. They're always willing to stop and talk and always willing to spend some time with you. I never had an issue in all the three years that I've been on this council.

The staff does an incredible job. I couldn't pick one, I don't think, over Kathie. Kathie has been incredible as far as being responsive--being incredibly responsive because I've had to deal with her more than I had with Jennifer.

Ms. Calvert: You can't remember my name?

Councilmember Houston: Yes, the girl on the end. I just want to make sure that it's noted that staff goes out of their way to deal with us ignorant people, that are just trying to figure out how the city's run and the things that we need to do to take care of our business and we're given that direction and that assistance in every way possible. I commend the staff, I commend the administrator and all the people that work with us. Our legal direction, Bill's always available for us, even if he doesn't work here every day, we don't pay him to work here every day. He works on Friday, he's here at the city, but he's always available and always responsive to any questions or anything we need to get information on.

That said, it's been a great relationship.

Secondly, last night was a terrific opportunity and what the city police department did, it was terrific. Thank you chief for getting out there and having the availability for all the residents to come and to get ideas, to get an understanding, a little bit better about what's in the mind of the burglar and to understand how we can go about protecting our homes better, how to respond in situations.

It was just a terrific presentation. We had 40-50 residents here and I think it was well received. I just appreciate that. The effort there is terrific.

Thank you, sir. That's all I got.

Mayor Wheeler: Councilman McLeod?

Councilmember McLeod: I'll echo what John said here, about the police the other night. That was a- your name is John, right? Yes. John, it was great last night and individuals seemed to get a lot out of it. They asked a lot of good questions. They're definitely concerned about what they can do, what they can take ownership of, to make Shenandoah the safest and best city, in partnership with the police. I really appreciated that too from the residents and of course the police and their efforts.

I do want to give a big shout out and a thank you guys, all three of you, for your service. Darrell, Jean and John, you've been a big asset to the city, in your years of service and I just want to say thank you.

Mayor Wheeler: Councilwoman Teague.

Councilmember Teague: I want to talk about Civic Club, last night. We had a Civic Club meeting and it was a large crowd, 17, and very active involvement from our community. They're respecting the process because they went through the budget, to prepare the budget for council to review in the summer and a lot of good input and a lot of good discussions. I look forward to continuing as a volunteer with Civic Club.

I also want to commend these gentlemen for their service. It would not be the same without you. It was an honor to serve with you guys, honor to serve this city and the staff members.

I will touch on what Greg said, I'm saddened to hear that the staff members are feeling the brunt of what is happening in our nation and then it came down to our community. The toxic atmosphere that existed on social media during this campaign and for the last year, since the last campaign is really detrimental to this community. And you future council members have a charge with healing this community. I know you can do it and I challenge you to get out there and heal this community because there were too many comments made that were just untruths and miscommunications and misunderstandings, misrepresentations of what the truth is. You have a big challenge ahead, but I know you can do it.

Mayor Wheeler: Thank you Jean. I'll wrap it up and I won't be the dead horse but obviously Jean, John and Darrell, I appreciate you-all's years of service tremendously. I appreciate the last year. I am touched; personally, I learned a lot last year. You said it; it's like drinking from the fire hose when you first get her. It helped a lot for me to have already known you two especially. I got to know John fairly quickly and for you-all's amount of years of service and experience, I was able to draw from that.

You're right, we do have a big challenge and I don't take it lightly and I'm up for the task because I think it's important. I do want to see this city heal quickly and we will because we're that good; because we're Shenandoah. We'll get the community back together again but I think the most important thing is how much we appreciate the three of you and your service for the community.

Executive Session (2:32:18)

Mayor Wheeler: We are going to adjourn and move to executive session. We will do that at 8:32. Matters regarding Hou-Scape versus City of Shenandoah.

Mayor Wheeler: Okay. We will resume the regular meeting at 8:50.

Mr. Smith: Council, at this time I would ask a council member to make a motion on the recommendation to allow the city attorney and city administrator to enter into real estate agreement with BB&T Bank located on I-45 to purchase a small portion of land that is needed to complete the sidewalk project.

Councilmember McLeod: I'll make the motion.

Mayor Wheeler: Do I have a second?

Councilmember Frazier: I second

Mayor Wheeler: All in favor?

All: Aye.

Mayor Wheeler: Any opposed? Motion carries 4-0. That will-- what's that? That will adjourn the meeting.

Meeting adjourned (9:05pm).

SUBMITTED BY:



Kathie Reyer, City Secretary

DATE APPROVED:

June 28, 2017





M. Ritchey Wheeler, Mayor