

**CITY OF SANGER, TEXAS**

**MINUTES: REGULAR CITY COUNCIL MEETING**

**June 5, 2017, 7:00 p.m.**

**502 Elm Street, Sanger, Texas**

**COUNCIL MEMBERS PRESENT: Mayor Thomas Muir, Councilman Bill Boutwell, Councilman Lee Allison, Councilman David Clark, Councilman Gary Bilyeu**

**COUNCIL MEMBERS ABSENT: Councilman Allen Chick**

The Mayor and Four (4) Council Members Were Present Constituting a Quorum.

**STAFF MEMBERS PRESENT:** Mike Brice City Manager, Cheryl Price City Secretary, Alina Ciocan, Director of Community and Economic Development, Clayton Gray, Finance Director.

**1. Call Meeting to Order, Invocation, Pledge of Allegiance.**

The Regular City Council Meeting was called to order by Mayor Muir at 7:04 pm. The Invocation was given by Councilman Boutwell, and The Pledge of Allegiance was led by Councilman Bilyeu.

**2. Citizens Input: (Citizens are allowed 3 minutes to speak. The City Council is unable to respond or to discuss any issues brought up during this section).**

James Frank Jones, 3087 Belz Road was recognized. He advised the water company installed a valve that had bad threading on it and it leaked and his water bills continue to rise every month from the leak. Staff noted that he has Bolivar Water, that it is not the City of Sanger's water. He would need to address the issue with Bolivar Water. He noted he was going to pay the bills, but was very unhappy and believed they (Bolivar Water) should address the issue.

**3. CONSENT AGENDA:**

**a) Approval of Minutes:**

**a. City Council Work Session, May 15, 2017**

**b. Regular City Council Meeting, May 15, 2017**

**b) Disbursements**

**c) Approve the 2017 Denton County Interlocal Collection Agreement For Tax Collection Between Denton County Texas and the City of Sanger.**

**d) Reappoint Presiding Judge Danny Spindle, Alternate Judge Kenneth Hartless, and Hugh Coleman as Prosecutor.**

**e) Reappoint Christy Panches as Municipal Court Clerk and Stephanie Dodson as Deputy Court Clerk and Authorize City Manager to Oversee the Daily Operations and Performance of the Municipal Court Clerk and the Deputy Court Clerk.**

**f) Approve Reappointing Existing Board Members for Two Year Term:**

**Planning and Zoning Commission –**

**Jason Collett – Place 1**

**Dennis Dillon – Place 3**

**Kelly Morgan – Place 5**

**Board of Adjustment –**

**Jason Collett – Place 1**

**Dennis Dillon – Place 3**

**Kelly Morgan – Place 5**

**Parks Board –**

**Joshua Shumate – Place 1**

**Jackie Turner – Place 3**

**Alicia Metcalf – Place 5**

**Library Board -**

**Kandyce LaFleur – Place 1**

A Motion was made by Councilman Boutwell to approve the Consent Agenda with the removal of the Library Board Reappointment of Dorcyle McClure and Suzanne Sears. Motion was seconded by Councilman Allison. There were a few questions regarding re-appointment of the judges, board appointments and disbursements. The motion carried with three (3) members in favor, None (0) Opposed and One (1) Abstentions (Councilman Bilyeu abstained because he was absent last week). Councilman Chick Absent.

**4. Consider any Items Removed from Consent Agenda.**

**The following two items were removed from the Consent Agenda. These Library Board Members have served their full terms and can not be re-appointed.**

**Library Board Members**

**Dorcyle McClure**

**Suzanne Sears**

**REGULAR AGENDA**

**5. Conduct a Public Hearing Concerning A Minor Plat of the Bella Addition, 0.254 Acres in the Henry Tierwester Survey, Abstract 1241, located at the Northwest Corner of Oak Street and Wood Street.**

Alina Ciocan, Director of Community and Economic Development was recognized to summarize the request. She advised that is a request for a replat of two lots at the corner of Oak Street and Wood Street. The applicant proposes to plat two lots into one in order to build a single-family residence on the lot. The zoning is SF-8 and the applicant would need to have the re-plat first.

The Public Hearing was opened at 7:18 pm to solicit any citizens who wished to speak regarding the Minor Plat of the Bella Addition. There being no one approaching the podium to speak, the public hearing was closed at 7:19 p.m.

**6. Consider, Discuss and Possibly Act on A Minor Plat of the Bella Addition, 0.254 Acres in the**

**Henry Tierwester Survey, Abstract 1241, Located in the Northwest Corner of Oak Street and Wood Street.**

Alina Ciocan, Director of Community and Economic Development was recognized and presented the request. She advised that staff sent out twenty-nine (29) notices and we received three (3) in favor, and one (1) opposed. The Planning and Zoning Commission approved the Plat. The applicant advised Alina that they spoke with the citizen that sent in the letter in opposition and it seemed that they did not quite understand what a re-plat was. Mayor Muir noted that since this conforms to the subdivision regulations the Council is obligated to approve it. Councilman Allison noted that it is his understanding that the lots, as they are currently platted are non-compliant and need to be combined to be able to build on them.

A Motion was made by Councilman Allison to approve the Minor Plat of the Bella Addition, 0.254 Acres in the Henry Tierwester Survey, Abstract 1241, located in the northwest corner of Oak Street and Wood Street. The Motion was seconded by Councilman Boutwell. The Motion carried unanimously 4-0, Councilman Chick absent.

**At this point Mayor Muir advised that there were people here to present Item No. 8, and moved Item No. 8 up on the agenda to accommodate them.**

**8. Consider, Discuss and Possibly Approve A Bid Proposal to Engage NewGen Strategies & Solutions to Prepare A Utility Rate Study (Electric, Water, And Wastewater) For the City of Sanger.**

City Manager Brice advised that he and the Finance Director, Clayton Gray have been talking with several different companies about doing a rate study. He noted that we have not had a rate study done since he has been here. We have been doing it in-house on an annual basis. As we move along on bigger larger projects and start looking at the future and what our utility rates are going to have to be, we felt like this might be a good time to do a rate study externally, with a neutral third party. NewGen Strategies was the least expensive that they talked to. All of the companies proposed basically the same scope of work. He noted that the staff Memo from Clayton Gray (in the Council packet) referenced several cities that have had positive feed back with NewGen.

Chris Ekrut with NewGen Strategies and Solutions was recognized. He advised that the Council has extensive information on the company and what they provide and would not make a lengthy presentation and that he is happy to answer any questions the Council might have. Councilman Boutwell asked Mr. Ekrut to explain what are the benefits of their company doing the study versus doing it in-house? Mr. Ekrut gave an antidote that he has attempted to do his own plumbing in the past and it never worked out well and he tends to hire experts now, because when he tries to do it himself he ends up spending more in the long run. He noted they are experts in rate setting, it is their core competency. So, by having an independent third party that has the time and expertise to do a defensible study and you will have a defensible product when questioned by anyone, citizens, the State, etc. As a water, wastewater provider, and an electric provider the city is somewhat regulated by the State and having a third party defensible study reduces the City's risk. It was noted that NewGen would be attending Council Meetings to keep the Council updated, possibly the first meeting update would be in August. They are going to fast track this so it can be a part of the 2017-2018 budget. The price quoted is a not to exceed cost. Through questioning by Councilman Allison, Mr. Ekrut noted they are going back into three

years of historical data and doing the study from the bottom up. Part of their goal is to make sure the City meets certain financial metrics. Those being debt service coverage, having sufficient working capital, having a capital replacement, repair and reserve or funding depreciation (one of those two). As they look at the study he will look and determine what the bond rating agencies are looking for, because ultimately, if the City issues debt they are going to look at the City's finances. They want to be sure that they leave the City with a study, and with rates, that basically put the City in very good borrowing position to the extent that the City needs to do that going forward. He noted that affordability is an extreme concern. They are going to try and balance the competing objectives. He noted they want to balance all of the cities goals and objectives. The Mayor questioned, unlike the impact fee study, this is not a required study so the city can do what they want with the rates? City Manager Brice noted that it is not a required study at this time, if we were a private entity doing this, we would have to do a rate study and submit it to the Public Utility Commission (PUC). Mr. Ekrut noted that if the City ever gets to the point where there are outside city customers, they have appellant jurisdiction with the PUC and could protest the rates with the PUC and actually take the City into a rate hearing. Councilman Boutwell noted that the last thing he wants to see is that we are not even breaking even or are going in the hole for the services we provide. Councilman Allison asked if the study was limited to usage rates, or if it included other fees, tap fees, reconnect fees, etc. Mr. Ekrut advised that their scope is limited to usage rates at this time.

A Motion was made by Councilman Bilyeu to approve the Bid Proposal engaging NewGen Strategies and Solutions to prepare a utility rate study (Electric, Water and Wastewater) for the City of Sanger. Motion was seconded by Councilman Allison. Motion carried unanimously (4-0) Councilman Chick absent.

**7. Consider, Discuss and Possibly Approve Amendment 2 To The Scope of Services For The Lift Station and Wastewater Pipeline Improvements for Additional Services between the City of Sanger, Texas and Alan Plummer Associates, Inc.**

City Manager Brice advised there have been multiple discussions on this in going back and forth on the pipeline and stream restoration, we did not want the engineers to spend a lot of time and effort on one or the other so we left that out of the original contract. This is the additional cost of designing the pipeline and managing the construction and the extra surveying, etc. Councilman Bilyeu asked what segment of the overall system this amendment pertains to? City Manager Brice noted this is the Cowling Road gravity line to the new lift station - Railroad. This contract is only for the design services in the amount of the \$242,300. Councilman Boutwell noted that there were different Amendments noted in the contract Amendment 1, 2, and 3. He would like for it to be corrected to reflect the correct amendment throughout the contract. It was noted they were typographical error and need to be correct. What this does is design it and determine the right of way and puts the plans on the shelf ready to go. Then the right-of-way is there and it would prepare the way for construction.

A Motion was made by Councilman Boutwell to approve in substance the Amendment as presented and clarify the correct number of the Amendment (Typographical error) in the final document to be signed, Approving the scope of services for the lift station and wastewater pipeline improvements for additional services between the City of Sanger, Texas and Alan Plummer Associates, Inc. Motion was seconded by Councilman Bilyeu. There was brief discussion. Councilman Clark noted he could see the point of getting the easements and the path nailed down, but did not know if we need to go into detail on drawings that we are not going to do

anything with for two to three years from now. It was noted that the detailed drawings were necessary to obtain right-of-way. His question was that if we don't have the money to build the Cowling Road Lift Station right now then why spend the money. City Manager Brice noted that we do have intentions on building it at some point. We are already paying for the design of the forced main and lift station. If we don't do this now, then when we are ready to do the project it could put us an additional 6 to 9 months out on the gravity line to make it all work. Councilman Allison noted he would be more concerned if we were talking about the lift station itself and changing equipment. He noted that on one hand, he agrees with Councilman Clark with a 30% design we should be able to determine the right-of-way, easement needs, etc., and on the other hand, by the time you reach 30% design you may be paying 60% to 70% of the fee. Mayor Muir noted he would like to have it nailed down more to begin asking for right-of-way. Councilman Bilyeu noted that amount was part of their original quote for the design this is not above the price originally quoted, this is a piece of the overall price quote for the project. Councilman Boutwell noted we may if we don't do it now we may be paying more in the future for the same study also if we hired a different engineering firm, they would probably want to start from scratch. Councilman Allison noted that when it comes to the pipeline, it is not like the design is going to become outdated. Mayor Muir called the Motion on the table. The motion was called and carried unanimously (4-0) Councilman Chick absent.

## **9. INFORMATION ITEMS**

- a) **Financial Report for April 2017.**
- b) **Capital Projects Recap as of May 31, 2017.**

No discussion on Information Items.

## **10. EXECUTIVE SESSION: CLOSED MEETING**

**Pursuant to the Open Meetings Act, Chapter 551, the City Council will Meet in a Closed Executive Session in Accordance With the Texas Government Code:**

**Section 551.087 Deliberation Regarding Economic Development – Potential Re-development of Mobile Home Park at 817 Keaton Road and Modified Proposal for Apartment Complex Project on Indian Lane and Related Matters.**

City Council convened into Executive Session at 8:01 p.m.

## **11. RECONVENE: OPEN MEETING**

**Any Action Taken.**

Council reconvened at 9:03 p.m. No action taken

## **14. ADJOURN**

There being no further items Mayor Muir adjourned the meeting at 9:04 p.m.