



1111 Bayou
La Marque, Texas 77568
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**CITY OF LA MARQUE
CITY COUNCIL
SPECIAL CALLED MEETING MINUTES
OF
JULY 17, 2017**

Special Called Meeting Minutes of the City of La Marque City Council held on Monday, July 17, 2017, beginning at 6:00 p.m. at 1109-B Bayou Road with the following members present:

(1) CALL TO ORDER

Mayor Hocking called the Regular Meeting to order at 6:01 p.m.

(2) ROLL CALL – MEMBERS OF COUNCIL

Bobby Hocking	Mayor
Keith Bell	Mayor Pro-Tem, Councilmember District A
Chris Lane	Councilmember, District B
Robert Michetich	Councilmember, District C
Casey Mc Auliffe	Councilmember, District D

OTHER OFFICIALS PRESENT:

Carol Buttler	City Manager
Ellis Ortego	City Attorney
Robin Eldridge	City Clerk

(3) INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro-Tem Bell delivered the invocation and led the Pledge of Allegiance

(4) PRESENTATION

a. Status Report- Wastewater Treatment Plant

Public Services Les Rumburg began, "We just recently, as of last week went through the commissioning process of alterations at the Wastewater Treatment Plant. We are looking at getting the warranty period on that, commencing as of last Tuesday. All the fixtures have been installed, tested and retested and fail safe tested and appears to be in perfect working condition, just as we had envisioned it to be. In the next three possibly four weeks, every employee that will have a role in the operations of that plant from administration to the maintenance technician will all receive eight hours of testing. It will be in four hour intervals, so that everyone will be trained. I did get a few before and after pictures. (Showed the video of before and after pictures of the "course" bubble aeration then the "fine" bubble aerator). This one will require us to be diligent in our cleaning. We started tracking the energy cost a few months ago and a few week ago under this operation so it will be interesting to see how the energy consumption works out."



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Councilmember Michetich asked, "After revamping this, what kind of maintenance schedule will be looking at moving forward to make sure we don't have to go to this type of extent again?"

Mr. Rumburg responded, "Yes, we will have a rigid maintenance schedule established posted and have everyone trained on it. This all started with the cleaning of the aeration basin, which we had determined that it was twenty years since it had last been cleaned, which was fifteen years overdue. With this system, we have to be more diligent in cleaning the system. We are proposing every other year cleaning. The installers, the engineers have all worked up the daily cleaning requirements through weekly and monthly."

(5) PUBLIC HEARING

- a. Conduct a Public Hearing to receive public input regarding Ordinance **No. O-2017-0012**, authorizing the issuance of the City of La Marque, Texas General Obligation Refunding Bonds, Series 2017 in accordance with specified parameters; levying a tax in payment thereof; and enacting other provisions relating thereto **THIS IS THE FIRST AND FINAL READING** (as per Texas Government Code 1201.028)

Mayor Hocking closed the Special Called Meeting at 6:09 p.m. and opened the Public Hearing.

No one spoke.

Mayor Hocking closed the Public Hearing and reconvened the Special Called Meeting at 6:10 p.m.

(6) NEW BUSINESS

- a. Discussion/possible action regarding Ordinance **No. O-2017-0012**, authorizing the issuance of the City of La Marque, Texas General Obligation Refunding Bonds, Series 2017 in accordance with specified parameters; levying a tax in payment thereof; and enacting other provisions relating thereto **THIS IS THE FIRST AND FINAL READING** (as per Texas Government Code 1201.028)

****** Councilmember Lane made a motion to adopt **NO. O-2017-0012**, authorizing the issuance of the City of La Marque, Texas General Obligation Refunding Bonds, Series 2017 in accordance with specified parameters; levying a tax in payment thereof; and enacting other provisions relating thereto **THIS IS THE FIRST AND FINAL READING** (as per Texas Government Code 1201.028)

****** Councilmember Michetich seconded.

Mayor Pro-Tem Bell stated, "At the last meeting we heard from a firm that talked to us about refunds and going into a private industry or private market, what is different about what we are doing here today? Are we going public, or are we going private?"



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Finance Director Suzy Kou answered, "No, we are always going public, but I will let Mr. Gilly, our financial advisor to explain to you what type of refunding this is so everyone is on the same page."

Jim Gilly, U.S. Capital Advisors explained that the City has an opportunity to refinance its Series 2007 Certificates of Obligation. The Certificates are \$2,520,000.00 all the callable generating a savings of a quarter of a million dollars, roughly \$20,000.00 or more a year. These would be sold at competitive sales in the public market and are scheduled under the tentative time table to receive bids on August 22, 2017, after we have updated the City's rating."

Mayor Pro-Tem Bell continued, "Another area of concern was, the obligation, will it remain full term, will this shorten it or lengthen our debt obligation term?"

Mr. Gilly answered, "The average life of the debt would not change, in fact, we would anticipate based on the tentative numbers that not only would your par-amount decrease, but the average life of the bonds being refunded is 6.96 years and the average life under the proposed structure is a little shorter. There is no extension in this case. It is a reduction in your borrowing cost which is an increase in your savings."

Finance Director Suzy Kou said that she had received a call from the public, from someone who had bought some 2007 CO bonds, asking if we were going to call, because it is at a higher interest rate that he is earning, and she explained to them that it was on tonight's agenda, and up to City Council. **MOTION CARRIED UNANIMOUSLY.**

- b. Discussion/possible action regarding authorizing the City Manager to negotiate a contract with Siemens Industries to supply, install, and manage an AMI (Advanced Metering Infrastructure) system as Phase II of the Energy Performance Contract Project to be presented to City Council at a future date for approval.
- ** Councilmember Lane made a motion to authorize the City Manager to negotiate a contract with Siemens Industries to supply, install, and manage an AMI (Advanced Metering Infrastructure) system as Phase II of the Energy Performance Contract Project to be presented to City Council at a future date for approval.
- ** Councilmember Michetich seconded.

Mayor Pro-Tem Bell asked, "Are these the same meters that we passed on the last time we had this conversation?"

City Manager Carol Buttler said that the meters that were actually budgeted this year are our current metering system. "You wanted to see how the performance contracting project was working and whether we had repaired and replaced the water lines and water leaks before looking at this project again."



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Discussion continued clarifying that this would be a complete replacement of the meters. Some of the meters were buried, don't connect correctly, inaccurate, some are broken and some are ten years old or older. The new meters have a twenty year accuracy guarantee. Other cities have been contacted that are currently using this meter system and they are very happy with it. The system can help to identify leaks, show the public exactly what their account looks like at any given moment, also it will help us account for the water that we know we are losing. It will generate a report as to what water we are purchasing for GCWA. All of the meters would have GPS coordinates.

Mayor Pro-Tem Bell then said, "The last time this came up, the conversation was, that we were going to make sure that were taking care of the leaks in the water system before we got to the residents. Have we done this?"

It was further discussed that the leaks that were identified and were repaired during the spring. The question then came up as to how much water had been recaptured as a result, and that the only water loss today, was because of the misread of the meters. The question of whether the City had done everything to make sure that the lost water had been recaptured and the City had done everything it can possibly do before passing on any additional costs the customers. It was asked by Mayor Pro-Tem Bell how can the City expect to recapture water loss from the citizens from the meters that are apparently malfunctioning if we as a City have not done everything possible to recapture water that is being lost before it hits their doorstep?

The City Manager said that all of the leaks had been repaired that had been identified and that could be taken care of, but leaks are being repaired to lines every day. One of the attractive features to the new system, it that it creates a report daily that can identify the possibility of problems at each meter, so it can be repaired before too much water is lost. Discussion continued on other meter types, whether there were other more cost effective meters. The idea that this was brought up by an outside force, other than staff was what Mr. Bell said that he has a problem with. He said he wants to see more options.

Deval Allums of Siemens, Inc. approached and explained that the AMI system is the standard all over Texas at this time.

Councilmember McAuliffe mentioned that in the meeting concerning the AMI system that she had recently attended, she was impressed by the increase of accuracy with the meters themselves, compared to the amount of meters that currently are reading inaccurately and thus far resulting in a physical technician to go out and re-read sometimes several times a month.

Tina Ortiz, Utility Billing said that the main concerns that she gets from customers is the inaccuracy of the consumption and billing. There is no current meter replacement system. "Transparency is a big thing with the citizens. We cannot go and pull history on their meter to let them know how much water goes through their meter on a daily basis.



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Sometimes it is thirty to forty-five days later when a problem is detected. I do come from a City who uses the AMI system and we had seen a tremendous difference. There are no adjustments needed, everything is accounted for."

Mayor Pro-Tem Bell asked if the AMI system would prevent the inaccuracy of all billing, to which the answer was no. Will it prevent every possible misread, which was said to be about 95%. Discussion continued as to whether or not by switching over to an AMI system, would fix everything. The entire cost of upgrading the current system and the entire cost of switching to the AMI needs to be put before the citizens. It was said that there is no reason for the City to invest in the "Cadillac" version of a meter reading system that there are other more pressing things the City can be doing.

Councilmember Michetich said that in his community they are using the AMI system and it is really working because of the technology, as we continue to grow, this is the direction the city should be moving into.

Deval Allums clarified that she was approached that she didn't go to staff and the cost savings as to how much the saving by going to an AMI system would be \$107,000.00.

Councilmember Lane added, "One of the things I was impressed with from a technology standpoint, it that the citizens would have the capacity to download an app that will allow them to see their own consumption on a daily basis."

Further discussion shows that the AMI is a more advanced system, but not a Cadillac meter system. Over time, more citizens are going to require re-reads with the current system, if something is not done. The cost to replace each meter based on the cost per meter way out priced the savings. Since Mayor Pro-Tem Bell had not been able to meet as the other members of Council had been able to meet with staff on the AMI meters, and this was not a time constraint item, Councilmember Michetich withdrew his motion. Councilmember Lane withdrew his motion and Councilmember Bell made a motion to table this item. Councilmember Lane seconded. **MOTION CARRIED UNANIMOUSLY**

- c. Discussion/possible action regarding approval to transfer funds from General Fund/Public Services Department (12) to Parks Fund in the amount of \$11,148.00.
- ** Councilmember Lane approval to transfer funds from General Fund/Public Services Department (12) to Parks Fund in the amount of \$11,148.00
- ** Councilmember Bell seconded.

Councilmember Lane asked, "What are the funds being allocated for"

City Manager Carol Buttler responded, "There was some misinterpretation as to which fund was supposed to pay for which projects. Because when the Parks Board presents projects themselves and proposes certain parameters and guidelines, we as staff had been charging them to the Parks Fund (donations). However, I discovered at the last couple of



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meetings that the assumption was the Parks Fund in the General Fund (which we don't have) would pay for these projects. So I agreed that I would go through the budgets from the last few years, and look at what had spent out of both budgets. I realized some of the donations have dropped. So out of the Parks Fund, there was money spent on the installation of playground equipment, so, I pulled out \$7,500.00. We did some concrete pads for some of the dumpsters at Mahan and Highland Bayou Park, so I pulled that out, and there were a few other things that were considered maintenance. Some money was left in there for their projects. Next week at the workshops I want Council to help us determine that there are not two Parks Funds. In the Public Services budget there used to be a Parks division, however, I said if it is a brand new project and the Parks Board was willing to fund it then that was one thing, but, maintenance had been being charged to the Parks Fund. The money being transferred back into their account, because they should have been absorbed by the General Fund." **MOTION CARRIED UNANIMOUSLY**

- d. Presentation/Discussion/possible action regarding adopting a formal Compensation Plan for Non-Collective Bargaining employees (excluding Telecommunicators) effective October 1, 2017.

Finance Director Suzy Kou and Patty Rees of Human Resources said that they have been looking into this type of plan for several years. HIGAC offered this free of charge. The last plan was from 2007, which was very outdated. A slide presentation was presented showing the pay trends from other cities.

- ** Mayor Pro-Tem Bell made a motion to adopt a formal Compensation Plan for Non-Collective Bargaining employees (excluding Telecommunicators) effective October 1, 2017.

- ** Councilmember Lane seconded. **MOTION CARRIED UNANIMOUSLY.**

- e. City Manager to present the Proposed FY 2017-2018 Budget of the City of La Marque.

As the Proposed were being distributed, Mayor Hocking asked if the City still had a surplus and if the City was in good financial shape, to which the Finance Director advised yes to both. He reminded all of the Budget Workshops the following week.

(7) EXECUTIVE SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Local Government Code, Section 551.071; Section 551.072; Section 551.073; Section 551.074; Section 551.076; Section 551.078, or Section 551.074, the following closed Meeting Executive Session will be held to discuss the following:

- a. Local Government Code Section: 551.074 (Personnel Matters) - Discuss Requests for Qualifications for legal counsel for Municipal Prosecutorial Legal Services for the City of La Marque



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Mayor Hocking closed the Special Called Meeting and convened into Executive Session at 7:36 p.m.

Mayor Hocking reconvened the Special Called Meeting at 8:32 p.m.

(8) ACTION TAKEN FROM EXECUTIVE SESSION

- a. Discussion/possible action regarding authorizing the City Manager to negotiate a contract with legal counsel for Municipal Prosecutorial Legal Services and present to City Council for approval by resolution at a future City Council meeting.

** Councilmember Michetich made a motion to authorize the City Manager negotiate a contract with Mills Shirley and with Megan Jones and Ashley Joyner as legal counsel for Municipal Prosecutorial Legal Services and present to City Council for approval by resolution at a future City Council meeting.

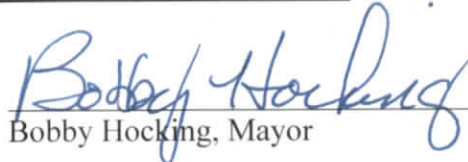
** Councilmember Mc Auliffe seconded. **MOTION CARRIED UNANIMOUSLY.**

Mayor Hocking and City Council thanked both candidates for attending.

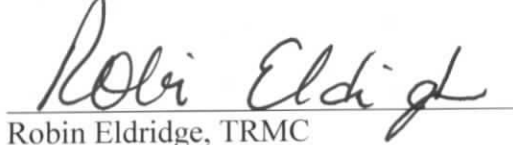
(9) ADJOURNMENT

** Mayor Pro-Tem Bell made a motion to adjourn the Special Called Meeting at 8:34 p.m.

** Councilmember Michetich seconded. **MEETING ADJOURNED**


Bobby Hocking, Mayor

ATTEST:


Robin Eldridge, TRMC
City Clerk