**MINUTES**

**FRITCH CITY COUNCIL REGULAR SESSION**

**TUESDAY JANUARY 17, 2017**

**CITY ANNEX 509 W. BROADWAY FRITCH, TEXAS**

**7:00 P.M.**

1. **Call to order. Welcome Citizens and Visitors.** Mayor Henderson called the meeting to order at 7:00 p.m. Councilmembers present: Denise Campbell, Richard Hein, Arturo Gutierrez, Arlin Audrain and Dwight Kirksey. Employees present: Jeff Howell, Cindy Cook, Monte Leggett, Ed Adamson, Chylo Graham, Richard Spencer and Carrie Driscoll.
2. **Invocation and Pledge of Allegiance.** Prayer given by Councilmember Audrain. Pledge led by Councilmember Kirksey.
3. **Proclamation** regarding the month of January 2017, as **School Board Recognition Month.** Mayor Henderson read the Proclamation regarding the month of January 2017 as School Board Recognition Month.
4. **Open forum – Comments/Concerns from Citizens.** No one spoke on open forum.
5. **Consent Items:**

***This section shall provide for items that require action by the council, but where little or no discussion is anticipated. By a single motion, second and affirmative majority vote, items under this section are approved without further discussion or action. Any council member desiring more discussion on an item may move to withdraw it to the New Business section.***

* 1. **Approve minutes of the following meetings: December 20, 2016, January 5. 2017 & January 6, 2017.**
	2. **Approve accounts payable.**
	3. **Consider and take action on Resolution 2017-1 ordering an election by the registered voters of the City of Fritch, Texas for the purpose of electing three council members for expired terms and appointing election officials and designating a date and time for the election.** Motion by Mayor Pro Tem Hein to approve the consent agenda as provided. Second made by Councilmember Audrain. Vote 5/0.
1. **New business:**
2. **Presentation of audit for 2015-2016 by Tracy Lambert of Foster and Lambert.** Auditor was unable to attend so Council agreed to meet next Tuesday, January 24, 2017 at 6:30 p.m.
3. **Discuss and take action on audit presentation and authorization of payment.** This item will be moved to the agenda for meet Tuesday, January 24, 2017 at 6:30 p.m.
4. **Presentation, possible action and discussion on authorizing a special election by the registered voters of the City of Fritch, Texas, to be held at the same time as the general election, to decide whether the Fritch Crime Control and Prevention District should be continued for five years or for another length of time (5,10,15,20) and the crime control and prevention district sales and use tax should be continued for five years or for another length of time (5,10,15,20).** Interim Manager Jeff Howell stated that according to the statutes, the Crime Control board is responsible for calling the election if they choose to do so. We are at the point of time where the district will sunset this year if not continued. At last night’s meeting of the Crime Control board, they called for the election to occur in May to continue the Crime Control District. The Council can decide if they want to change the term from five years to ten years or more. The voters will choose whether the Crime Control District will continue or not. Mayor Pro Tem asked who would pay for the election. Interim Manager said Crime Control would pay for their portion. Five years is the minimum and the pattern from before. No action taken to change the length of time. It will remain at five years if approved by the voters.
5. **Discuss and take action on confirmation of appointment by Resolution 2017-2 of the following people for Fritch Crime Control and Prevention District: Tonya Coker, Don Laughery and Joey Williams with their term ending September 1, 2018.** Interim Manager stated that according to the statutes, the district board term expires on September 1st of each year. With the transition that was going on at that time, these nominations didn’t quite make it to council. We are rectifying that at this time and ratifying their appointment back to September 1, 2016. They will serve until September 1, 2018 cycle. Motion made by Councilmember Campbell to confirm the appointment by Resolution 2017-2 of the following people for Fritch Crime Control and Prevention District: Tonya Coker, Don Laughery and Joey Williams with their term ending September 1, 2018. Second made by Councilmember Gutierrez. Vote 5/0.
6. **Public Hearing for Fritch Crime Control and Prevention District budget for the FY2016-2017.** This was another item that should have happened earlier this year. This will correct the oversight. Mayor Henderson opened the Public Hearing at 7:10 p.m. No comments or concerns were made. Mayor Henderson closed the Public Hearing at 7:11 p.m.
7. **Discuss and take action on Fritch Crime Control and Prevention District budget for the FY 2016-2017.** MayorPro Tem Hein asked what a community camera system is. Councilmember Kirksey said it was a visionof the board to place cameras in certain troubled areas such as the park. Motion made by Mayor Pro Tem to approve the Fritch Crime Control and Prevention District budget for the FY2016-2017. Second made by Councilmember Campbell. Vote 4 for and Councilmember Kirksey abstained.
8. **Discuss and take action on Fritch at Lake Meredith Economic Development Corporation budget for FY2016-2017.** This item was withdrawn because we did not receive the budget information in time for the meeting.
9. **Discuss contents and implementation of Public Utility Commission (PUC) final order related to the outside city-limits ratepayers' appeal of the decision by the City of Fritch to change rates; Docket No. 45248.** Interim Manager Howell said that we were alerted at the last council meeting that the PUC had met and issued the final order. Our attorney in Austin had not sent us the final order so we called and requested a copy. In that order, the key things the Public Utility Commission has ordered is the City will issue a refund or credit to all of the outside rate payers in the amount of $2.20 per month for the next 12 months. The City will also be allowed to recover a portion of the rate case expense through a surcharge of $1.31 per meter, per month for up to 36 months or however long it takes to recoup the $54,440.63. We actually accrued $98,682.50 in expenses but the commission is settling on the amount of $54,440.63. The staff will report back to the PUC concerning the progress of the recovery and cut it off once the amount is obtained. Post cards will be sent out later this week to let the rate payer know this is coming. The billing cycle we are in began back in December and it is applicable to the first full rate cycle. The bills will go out at the end of the month. The full PUC order has been posted on the city website should anyone wish to read it. Councilmember Kirksey asked if the water billing software would be able to account for these items. Manager Howell said that it will be set up like another rate code. Everything that comes in will be set aside in a separate account for reporting purposes. Mayor Henderson commented about the wording of “surcharge” and the negative mindset of Fritch residents. We have no choice on the wording of this. It is very specific from the PUC that this must be on the water bill.
10. **Discuss and take action on Resolution 2017 - 3 formally rescinding a policy/memo issued by the Police Chief.** Interim Manager Howell said this is the policy of the “so-called Mexican driver’s license policy” that we can all agree was not well written and did not serve the purpose that was intended. In order to put that policy to bed, which was never a city - issued policy or came to the Council for approval, I am asking the Council to take formal action with the Resolution to rescind it and make it null and void and identify it was never an official city policy. Had it been written so we were dealing with “foreign driver’s licenses”, it wouldn’t have been so bad. The issue at hand and the intent of the policy is that if a driver is stopped and they present a foreign driver’s license but it can be established they are residents of the state of Texas then they are violating the state’s driver’s license laws. Since they don’t have a Texas driver’s license, there is no hold to be put on them for renewing a license. That was really the intent of the policy but it just didn’t quite get there. We are still evaluating as to whether there should be a replacement policy. The fact of the matter is the law is the law and the police have the discretion to investigate a motor vehicle operator to determine where their residency is. If they don’t have the proper credentials in order, then the police can take the appropriate steps to rectify it. Motion made by Mayor Pro Tem Hein to approve Resolution 2017 – 3 formally rescinding a policy/memo issued within the Police Department. Second made by councilmember Audrain. Vote 5/0.
11. **Presentation, discuss and take action on the calendar year 2016, Fritch Police Department - Racial Profiling report.** Police Chief Monte Leggett presented the racial profiling report. He explained, these are the citations from last year generated through Cop Sync and reported to the state. The report noted, of the 2,511 stops, one stop had prior knowledge of race or ethnicity. This is a requirement of the system. Normally the distance prevents this knowledge. Councilmember Kirksey made the motion that the City Council approve the calendar year 2016, Fritch Police Department – Racial Profiling report. Second made by Mayor Pro Tem Hein. Vote 5/0.
12. **Discuss and take action on Resolution 2017 - 4 adopting the Investment Policy.**  Interim Manager Howell said the statutes require the investment policy be adopted annually to ensure we are investing our funds in accordance with the statutes. We don’t have a whole lot of funds invested right now, but what funds we do have are in accordance with the investment policy and the state statutes. Manager Howell made a few minor changes to the policy that was adopted last year. He recommended this be placed on the agenda at budget time each year as the appropriate time to review. We can invest in CD’s (certificates of deposit), investment pools that are triple A rated, repurchase agreements and the local bank’s savings accounts. All of these are relatively stable investments which is the only place we can put the city’s funds. There should be no chance of principle loss. Mayor Henderson hoped that while he is still doing this the city would have money to invest. Motion to approve Resolution 2017 – 4 adopting the Investment Policy made by Councilmember Campbell. Second made by Councilmember Audrain. Vote 5/0.
13. **Discuss and take action on Resolution 2017 - 5 adopting Financial Management Policy Statements.** Interim Manager stated this is a policy he actually borrowed from the City of Fort Worth many years ago, and he has brought it forth to the councils in the cities where he has served. This is a fairly comprehensive policy about all of the city’s finances. Everything about how we should be looking for additional revenues to what do we do with the revenues we have. It includes the expenses and how they should be treated and the fact that we want to minimize our costs and expenses. It mentions the investments even though investments are covered in a separate policy. One of the key things that is included is a fund balance policy. A fund balance or retained earnings for a private corporation or retained earnings in our proprietary fund also, has a benchmark across the local government entities of having three months of your current operating budget in reserve at all times in the undesignated fund balance. We do not have that right now. I was hoping to see the audit tonight to see where it stands. This is something I am urging Fritch to shoot for – to get the undesignated fund balance up to that 25% threshold both in the General fund and Public Works fund. This is one of the keys to getting our bond rating back. This is one of the things the rating agencies look at intently having met with those agencies a number of times. One of the first questions is, “What does your fund balance look like?” It is the measure of a healthy financially stable organization. The policy goes on to deal with grants. This is a guideline for city staff to work on to strive to achieve all of these different things. It is a thorough and comprehensive policy. Motion for City Council to approve Resolution 2017 – 5 adopting Financial Management Policy Statements made by Councilmember Kirksey. Second made by Councilmember Campbell. Vote 5/0.
14. **Discuss and take action on roof repair bids for city hall and the police/museum building.** Interim Manager Howells stated these bids are the bids the budget was built around. There are additional funds in the line items for building repairs to take care of other type of repairs. He stated he is anxious to get the repairs on City Hall started because there are a lot of ceiling tiles out in the building where leaks were occurring. Without the insulation in the roof, it is hard to keep City Hall warm when the temperature drops. The estimate on City Hall is $13,500 and the estimate for the Museum/Police Department building is $30,782. There are other repairs for the porch roof and the façade on the Museum. Manager Howell stated he is primarily asking for the roof repairs at this time. He stated that Councilmember Audrain has also identified some metal work that also needs to occur up on the City Hall roof. Manager Howell has asked Councilmember Audrain to take over as Project Manager to look after this project. Mayor Pro Tem Hein stated he did not see how long the repairs would be guaranteed. It did not show up on the estimate but it was understood that it was guaranteed for ten years. This is not a “Durolast” roof which would cost two to three times more. Council expressed the length of the guarantee should be known before work begins. The amounts of the bids are sufficiently budgeted. Motion made by Councilmember Campbell to approve the roof repair bids for city hall and the police/museum building not to exceed the budgetary amounts. Second made by Councilmember Audrain. Vote 5/0.
15. **Discuss and take action on bid for struck off property located at 503 S. Longwood described as Lots Seventeen (17), and Eighteen (18), all in Block Ten (10), Original Town of Fritch, Hutchinson County, Texas.** Motion made by Councilmember Kirksey that the City Council approve the offer of $250 for 503 S. Longwood described as Lots Seventeen (17), and Eighteen (18), all in Block Ten (10), Original Town of Fritch, Hutchinson County, Texas.Second made by Councilmember Gutierrez. Vote 5/0.
16. **Discuss and take action on bid for struck off property located at 501 S. Longwood described as Lots Nineteen (19), and Twenty (20), all in Block Ten (10), Original Townsite of Fritch, Hutchinson County, Texas.** Motion made by Councilmember Kirksey that the City Council approve the offer of $1,500 for 501 S. Longwood described as Lots Nineteen (19), and Twenty (20), all in Block Ten (10), Original Townsite of Fritch, Hutchinson County, Texas.Second made by Councilmember Audrain. Vote 5/0.

1. **City officers’ reports.**
	1. **Report from City Manager.** I am happy to report the City’s portion of the sales tax remittance is now $11,000 ahead of last year at this time which is about a 12.6% increase. If we at least collect the same amount as last year over the remaining months, we should finish this year approximately $17,000 of what we budgeted for in general sales tax. I am looking forward to next month as February reporting is Christmas sales. Our bank accounts continue to strengthen but the Ad Valorem tax season is beginning to wind down. This source begins to drop off after January each year, and then we rely more on sales tax and franchise fees and administrative support transfers from the Utility Fund for the remainder of the year. The interest payment for the 2011 bond in the amount of $65,945.00 is already set aside and ready to be paid before February 1st. The principal and interest payment for the 2003 bond in the amount of $178,038.13 is due February 15. These funds continue to accumulate. This is the tax and surplus utility revenue supported debt. Right now, we are about 67% collected on our Ad Valorem tax for this issue. We will be setting up the payment to be made about the second week of February. Chief Leggett has shared he will be retiring. His last day in the office will be February 3, 2017. We would like to thank him for his service and wish him well. We will begin putting together a plan to fill that critical role. We are going to open the recycle area for brush and limbs starting Thursday. It’s too muddy right now to have people going in and out without getting stuck. If we receive more rain tonight, then we may delay opening to the public.
	2. **Report from Chief of Police.** Council reviewed information given by Chief Leggett. He reported the dispatch calls are down. Chief Leggett informed the Council he had presented two things to the Crime Board. The Crime Board approved for flashing lights to be placed on Eagle Boulevard. There will be a total of three lights. The school is going to purchase one and the Crime Board agreed to purchase the other two. Crime Board also approved Warrant Sync for our Cop Sync program so when an officer makes a stop, if there is one of our local warrants, it will come on the screen instead of the officer having to physically go through a list. It will be safer for the officer and more efficient for us. We thank the Crime Board for providing for these two very good projects.
	3. **Report from Public Works Director.** Absent for illness. Maintenance fixed eight leaks last month. There are currently nine on the books. Fixed some pot holes.
	4. **Report from Fire Chief.** For the last fiscal year, 22% of our calls were in Carson County, 14 ½% were in the City, 68% in Hutchinson County, 3.5% in Moore County and 6% Potter County. There were a total of 282 runs last year. In December, there were a total of 27 runs. 11% were in Carson County. 7% were within the City. 74% were in Hutchinson County and approximately 7.5% in Potter County. So far this month of January, we have 19 runs. Of those 19 runs, 14 were during the last 24 hours during the ice storm. We are still waiting on the compressor to arrive. $29,366 is the final cost of the compressor.
	5. **Museum Report.** No report.
	6. **Court Report.** Council reviewed report.
	7. **E.D.C. Report.** No report. Reviewed bank statements.
	8. **Crime Control Report.** No report.
2. **Mayoral/councilmember announcements.** Councilmember Kirksey reported the Council will begin starting the workshop for Councilmember training at next month’s meeting. The workshop will be about our role as councilmembers and also how we interact with the citizens. It will include relationship between council and staff and some dos and don’ts as far as meetings. The information will be from TML. Mayor Henderson thanked the emergency responders for taking care of people during the ice storm and Xcel for getting the power back on to the residents. He specifically thanked Chief Leggett for his service to the city and what he has accomplished during his five years.
3. **Questions from the Media.** Tara Huff, with the Eagle Press, asked the following questions: Please clarify who the outside customers will be that will have a surcharge and a refund on their water bills. Is it just the area that used to be the Brinson Development area? Does it also include the Double Diamond area? Interim Manager replied that it is all outside city limit rate payers. Ms. Huff said at one time it was clarified that it was not. Mayor Henderson said yes we need to clarify because one time before it was stated to be only the people on the Hi Texas area water system. Ms. Huff said the Double Diamond area was not included in the appeal. Interim Manager Howell stated that we will need to clarify because the way he read the order it was all outside city limit ratepayers. Ms. Huff asked if it does include all of those people outside, why does it include them if they were not included in the appeal itself. Interim Manager Howell said she would have to ask the Public Utility Commission. Mayor Henderson stated we are doing what we were told to do regardless. Ms. Huff stated we have the amount that the customers are going to be paying for the legal fees, does the city have an estimate on the amount that will be refunded. Interim Manager Howell stated $2.20 per account per month. Ms. Huff asked how much that is. Interim Manager stated roughly $31,627. That is calculated on 1199 outside city limit customers. Ms. Huff stated the customers are being refunded a little over thirty-one thousand dollars and paying in a little over fifty-four thousand dollars. Mayor Henderson pointed out that the order stated that Fritch’s water rates are just and reasonable. We are just following directions. Interim Manager Howell stated this was a negotiated settlement between the parties.
4. **Future agenda items.** Next Tuesday, January 24, 2017 will be a special called meeting for the presentation of the audit at 6:30 p.m. Next regularly scheduled council meeting will be February 21, 2017 at 7:00 p.m. with a special called meeting before at 6:30 for council orientation information.
5. **Convene into Executive Session:** Executive session began at 7:52 p.m.

**The Fritch City Council reserves the right to adjourn into closed meeting at any time during the course of this meeting to discuss any of the matters listed, as authorized by the Texas Government Code;**

* 1. **Section 551.071 (consultation with attorney)**
	2. **Section 551.072 (deliberations regarding real property)**
	3. **Section 551.073 (deliberations regarding prospective gift)**
	4. **Section 551.074 (personnel matters)**

**City Manager.**

* 1. **Section 551.076 (deliberations about security devices)**
	2. **Section 551.087 (Economic Development)**
1. **Reconvene into Open Session. (**Councilmember Gutierrez had to leave during the executive session). Mayor Henderson reconvened the meeting into open session at 9:18 p.m. Mayor Henderson asked if there was any action resulting from executive session. Councilmember Kirksey moved the City Council to hire Drew Brassfield as City Manager pending contract negotiations and appoint Mayor Pro-Tem Richard Hein and Mayor Kelly Henderson to serve as committee in those negotiations regarding the contract. The motion was seconded by Councilmember Audrain. Motion carried with a vote of 4 – 0.
2. **Adjournment.**  There being no further business Mayor Pro-Tem Hein motioned for adjournment, seconded by Councilmember Campbell; motion carried 4 – 0.

**READ, PASSED AND APPROVED on this \_\_\_\_\_ day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2017.**

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**Mayor W. Kelly Henderson Cindy Cook, City Secretary**