

City of Beach City Regular Called City Council Meeting Minutes

The City Council of the City of Beach City, Texas met in a Regular Session on **November 28, 2017** at the Beach City Community Building, 12723 FM 2354 Beach City, TX. 77523

Members Present: Mayor Billy Combs (presiding), Mayor Pro Tem Jackey Lasater, Alderman Ray Smith, Alderman Dana Colquitt, Alderman Doug Walker and Alderman Paul Newman

Staff Present: City Secretary Evonne Donnelly, Assistant Secretary Marge Bercaw

Legal Counsel Present: City Attorney Daniel Jackson

1. Call to order and announcement of quorum

On Tuesday, November 28, 2017 Mayor Combs called the meeting to order at 6:05 P.M.

2. Invocation and Pledge of Allegiance

Mayor Combs offered prayer. Mayor Pro Tem Lasater led the Pledge of Allegiance to the United States and Texas flags.

3. Administer Oath of Office for recently re-elected Aldermen

Attorney Jackson administered the Statement of Officer and the Oath of Officer to Aldermen Jackey Lasater, Ray Smith and Paul Newman.

4. Appoint Mayor Pro Tem

Alderman Lasater was once again nominated as the Mayor Pro Tem.

Motion to nominate Jackey Lasater as Mayor Pro Tem

Motion: Newman

Second: Walker

Approved: 5-0

5. Public Comments (Limited to five minutes per person)

A resident voiced concern over the recycling bin(s) at the landfills are always full.

6. Hear report and update from Chambers County Commissioner, Rusty Senac

For those of you unaware there is a study called the State Highway 146 (SH 146) Sub Regional Study. The committee has met again, and they are fine tuning the study. This is a rather large study that includes Hwy 146 from Cedar Bayou to the Chambers County/Liberty Line and comes across to FM 3180. The purpose of this study is to look at ways to improve

the safety and the mobility of these areas and prioritize those items that will make 146 and all the other roads safer and improve greater mobility. Part of this study includes FM 1405 FM 565 south. There have been some public meetings on this and there are hopes to hold another meeting in December.

Beach City fared well with the flooding from Hurricane Harvey, compared to the rest of the county. There is a committee that will review the county wide drainage issues. They will look at county regulations on drainage and the county's regulations on subdivision development. Commissioner Senac is not running again for his position as County Commissioner. General Land Office (GLO) Commissioner, George P. Bush met with area officials recently to get firsthand information on the recovery issues from Hurricane Harvey.

7. Hear report and update from Beach City Volunteer Fire Department (BCVFD)

RECESS: 7:33 P.M.

RECONVENE MEETING: 7:45 P.M.

Santa on the Bay is December 8th and 9th. Several of the BCVFD members went to vehicle extrication training in Katy. The City of Mont Belvieu hosted a Forceful Entry training and several of the BCVFD members went to this. Also, this weekend Mont Belvieu is hosting a Live Burn training at the Harris County training field and invited the BCVFD to attend. Repairs are underway for two of the engines, so they can undergo the annual pump test, to get the ISO (Insurance Services Office) rating reduced.

8. Approval of Minutes for Regular Meeting of October 24th, 2017

Minutes will be brought back next month, to give Council time to review them.

9. Financial Consent Agenda (All financial consent agenda items are considered routine by Council and will be enacted by one motion. A Councilmember may request an item to be removed and considered separately.)

(a) Review and approve the Financial Statements for previous month

(b) Review and approve Investment Update

(c) Review and approve Expenditures for the current month

Motion to approve

Motion: Newman

Second: Lasater

Approved: 5-0

Discussion: Alderman Walker asked if the insurance dues are a timing issue. Also, are the office supplies expensed related to replacement costs from Hurricane Harvey? The answer is yes, insurance is due every September / October. Most of office supplies purchased were due to Harvey losses. This will also be addressed in Item 14.

10. Discussion and possible action on Capital Bank CD #972, in the approximate amount of \$51,126, that matures December 9, 2017

Mayor Combs stated, we have been getting our best rates from Capital Bank, but we always look at all rates for comparison.

Motion to authorize Mayor Combs to use his best judgement in renewing the CD

Motion: Smith

Second: Colquitt

Approved: 5-0

Discussion: Alderman Walker does not want a CD term more than 2-years. The Alderman also assumes that interest rates are going to continue to go up. We're going to see rates between 1-3 year terms. When the Mayor is using his judgement, what would his best judgement tell him?

Mayor Combs stated that he will probably use the "Walker factor" in his judgement. He will look at how the others CD's are staggered that are maturing. If need be, for a nominal fee, the City could cash in a CD if the rates jumped up and reinvest at a higher rate. Right now, the rates have been going up slowly.

11. Hear and accept results on final audit for FY 2016-17 from SGS (Start, Garcia & Stanley)

Albert Garcia of Start, Garcia & Stanley reviewed the final results of the audit with Council. An unmodified report was given to each member of Council for the Fiscal Year ending 2017. On page 14 of said report, the City has assets in the approximate amount of \$739,000, which is made up of cash and investments. The fund balance is approximately \$729,000. Mr. Garcia noted that typically he does not see fund balances this healthy and the City is doing very well.

Actual revenues exceeded budget by \$15,000 and actual expenditures fell below budget by \$27,000 and this is after a budget amendment of \$5,000. There is a good positive bearance of \$42,000. Overall, the City increased its fund balance by \$37,000 so, the City made money.

The great thing for the City is there is no debt, no pension and there are no capital assets. The City has a good cash flow and fund balance. Mayor Combs credited the previous City Council's and current Council for their overseeing of the City's funds. The Mayor also reminded everyone that all it takes is one major emergency and the money could be eaten up in a heartbeat. Alderman Walker added that it's not just emergencies, it could be the need for public water and/or sewer.

The annual spend rate for the City is roughly \$100,000, so the City has several year's worth of fund balance. Of the \$739,000 mentioned above, the City has approximately \$650,000 invested in CD's, earning interest. **Alderman Smith** noted that out of the approximate \$100,000 budgeted, \$45,000 went to the BCVFD.

Recommendations:

1. Account numbers need to be realigned: The general ledger of the trial balance has some repetitive account numbers. Revenue and Expense account numbers were the same as some of the assets numbers.
2. Voided checks: In QB (QuickBooks) if you void an old check it takes it back to when you first wrote it. **If you** wrote a check in 2016 and you void it now, it will void it in 2016 vs. today. There is a feature in QB that lets you void it today.
3. Investment Policies and Investments: With PFIA (Public Funds Investment Act) there is required training for each City's investment officer, treasurer, etc. However, after speaking with Attorney Jackson since the City only invests in CD's and not stocks & bonds, treasury bills, etc. city officials are not required to have this training. Therefore, it is recommended that this exception be added to the City's investment policy.

Mr. Garcia asked Council to consider using one of the investment pools that the state offers: Texas Term of Certificate of Deposit Program, if you invest with them they will do all the leg work for you.

12. Hear and discuss a report from TGS (Trans-Global Solutions) regarding development within Cedar Port Industrial Park

James Scott and John Kline with TGS / Cedar Port addressed Council and approximately eighty people in attendance for their presentation on development of the Cedar Port Industrial Park. Cedar Port lies within Chambers County Improvement District No. 1; of which TGS Cedar Port is approximately fifteen-thousand acres.

Projects located within the park and primarily on FM 1405 include:

- IKEA leased two 500,000 square foot distribution centers at the beginning of this year.
- Ravago is a plastic trading company that has purchased 170 acres and they own a 750,000-square foot facility.
- Avera purchased 40 acres and they are constructing a new 500,000 square foot warehouse for the plastics trading company, Vinmar International (Vinmar will lease this facility from Avera). They will package the plastic pellets made at Exxon, Chevron, etc.

Resident Questions:

Q. On TX 99, there is a lot more rail storage now. There is one spur that crosses FM 565 going north, are there any plans to put in a new spur to get out of all this container area?

A. TGS built six additional interchange tracks within TGS Cedar Port. These interchange tracks allow the railroads to come straight into the industrial park. UP (Union Pacific), BNSF (Burlington Northern Santa Fe) and TGS will utilize these railways to more effectively move rail traffic in and out of TGS Cedar Port.

Q. You own the greens, the woods next to this building up FM 2354, behind the homes here, how far up do you plan to build?

A. We currently have no plans to build in this area. There is an area where we did a wetland mitigation project, which was a Corps of Engineers project due to some wetlands that were filled in. We plan to do more of the wetland mitigation projects and we are working with the Corps of Engineers on that. There are currently no projects planned in this area.

Q. Tell us a little about your plans for your entry off the Fisher Road intersection coming off TX 99.

A. TGS has been working with TxDOT on the Fisher Road - TX 99 intersection. All the plans are approved to make this intersection look like the 99 - FM 1405 intersection. The plan is to have six lanes in that general area, with a turning lane on either side. TxDOT plans to add an overpass at this intersection.

Mayor Combs noted, by TGS adding an entrance onto the Fisher Road property from TX 99, this will in effect keep the truck traffic inside of the park as opposed to outside of the park. Mr. Scott added that the long-term plan is to connect this road to FM 1405 and keep the truck traffic on TX 99 / FM 1405 and off of FM 2354.

Q. What is TGS doing at McKinney Road and FM 2354?

A. We have been clearing out the fence line to give the cattle more grazing room. Some of the fence line has not been cleared in thirty years.

Q. Can you tell us about the drainage study?

A. Surveyors for TGS have been going to the different roads within the industrial park area and surveying the drainage. So far, they have reviewed/surveyed approximately eight thousand out of ten thousand acres. This will help them to understand where the water

flows to, how much water flows through each site, and what can possibly be done long term to improve the drainage.

13. Hear and discuss a request from Chambers County Sheriff for the control of the dangerous discharge of firearms within the City limits

Sheriff Hawthorne spoke to Council and the residents regarding his concerns over firearms being fired within the City and close to other homes. The Sheriff stated, if you are a Sheriff's Deputy and you are dispatched to Barrow Ranch because someone is rapid firing an assault weapon while a nine year-old is about to have their birthday party outside, you would have a tough time determining what is safe inside your city limits. Particularly if that person is firing a weapon in the Lennie Lane area. If you read the law it says that you cannot aim and fire a weapon around habitation. Where is there not habitation in the Lennie Lane area? We are becoming more suburban and not rural.

Sheriff Hawthorne is asking Council to consider the caveat in the law that gives Council the ability to determine whether a firearm can be discharged within the City limits. Calls have come into 911 because people are hearing rapid gun fire. The Sheriff feels it then becomes the responsibility of the Council to pass an ordinance to prevent this issue.

Also, Sheriff Hawthorne also asked Council to consider acting on a caveat in the law that would allow people to operate golf carts legally on roads under 35 mph (mile per hour) or less. The Sheriff's office is having daily issues with ATV's (All-Terrain Vehicle), UTV's (Utility Terrain Vehicle or Side by Side), etc. This issue is taking up a lot of time for the Deputies, when they could be addressing other areas of concern such as family violence and/or other criminal aspects.

Mayor Combs would like Council to get input from the residents regarding the discharging of firearms issue and encouraged all those in attendance to let Council know their feelings on this matter.

14. Discussion and possible action on insurance coverage's, deductible amount, and replacement of office items from water damage due to Hurricane Harvey on August 27, 2017

Mayor Combs read an email from our representative at TMLIRP (Texas Municipal League Intergovernmental Risk Pool). They (management) decided to reduce the City's ten thousand-dollar flood deductible to one thousand-dollars. To date, the City has spent approximately \$5,900. The projected amount of overall replacement costs is \$9,000-\$10,000.

There are some additional items such as a conference table and additional rolling chairs for Council that will be purchased for executive session, etc.

FEMA (Federal Emergency Management Agency) Public Assistance (PA) is still an option for the City to recover any costs that TMLIRP will/may not cover, including the deductible.

15. Discussion on nominations for the 2017 Volunteer of the Year Award

Mayor Combs reminded Council that the nomination forms are due Thursday, December 7th by 5:00 P.M. Nominations will be discussed and voted on at the December meeting.

16. Discussion on City participation with the BCVFD Santa on the Bay

Council will once again join the BCVFD in their annual Santa in the Bay December 8th & 9th. There was discussion on which members of Council are able to participate and which nights they are able to ride along, Friday vs. Saturday. Leave the BCVFD at approximately 5:15 P.M. each night.

Mayor Combs asked any Council members that are able to come up Thursday, December 7th at 4:00 P.M. to bag candy.

17. Discuss and consider Christmas celebration at the December 19, 2017 meeting

Alderman Colquitt would like everyone to bring a dish of some sort to the December meeting, like last year.

18. Update and discussion on non-compliance to City ordinances regarding On-Site Sewage Facilities (OSSF's)

None

19. Report and update from the Mayor

(a). Mayor Combs changed the Council meeting date to December 19th.

(b.) There is an 81 year-old veteran who lives just outside our City limits and his home was flooded during Hurricane Harvey. Mayor Combs visited with him recently and there are definitely some issues in his home. The Mayor sent an email out to the community and there are many people wanting to help this gentleman out.

20. Council Comments

Alderman Newman attended the H-GAC (Houston-Galveston Area Council) Law Cities Caucus a few weeks ago. H-GAC has funds for general law cities to consider traffic/infrastructure studies. This is of no cost to the City with all reports paid for by H-GAC. Is this something we could use on FM 2354?

Mayor Combs stated that he has not done a very good job relating the latest TxDOT information to Council. There is a project approved to be let for FM 2354 in 2018. TxDOT has approved a turn lane on FM 2354 just south of Fisher Road headed north to FM 565 south.

21. Adjourn

Motion to adjourn at 8:45 P.M.

Motion: Newman

Second: Colquitt

Approved: 5-0

Minutes Approved: **December 19, 2017**

Billy Combs, Mayor

Attest:

Evonne Donnelly, City Secretary