

# City of Beach City Council Special Called Meeting Minutes

The Beach City Council met for a **SPECIAL CALLED MEETING and PUBLIC HEARING** of the City Council of the City of Beach City held on Tuesday, **June 07, 2016** 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 Doug Walker, and Alderman Dana Colquitt

**Members arriving after meeting has commenced:** Alderman Paul Newman arrived at 6:10 pm and Alderman Ray Smith arrived at 6:14 pm

**Staff Present:** City Secretary Evonne Donnelly and City Attorney Daniel Jackson

## 1. Call to order

Mayor Combs called the meeting to order Tuesday, June 7<sup>th</sup>, 2016 at 6:02 pm.  
Mayor Combs offered prayer. Alderman Colquitt led the Pledge of Allegiance to the United States and Texas flags.

## 2. Invocation and Pledge of Allegiance

Mayor Combs offered prayer.  
Alderman Walker led the Pledge of Allegiance to the United States and Texas flags.

\*Mayor Combs noted that Alderman Newman and Alderman Smith have stated that they will be arriving late to the meeting.

## 3. Citizens Comments

None

## 4. Public Hearing Regarding a proposal that the Beach City Volunteer Fire Department (BCVFD) enter into a Master-Lease Purchase Agreement to finance certain equipment

Public Hearing commenced at 6:04 pm.  
Mayor Combs stated, the BCVFD is not an entity of the City rather an independent fire department who contracts through the City of Beach City. Per, the Internal Revenue Service (IRS) Code since the BCVFD provides fire fighting services within our municipality boundaries via contract and the City pays them an annual fee; this public hearing is a requirement.

Mayor Combs opened the floor up for comments.

BCVFD Chief Patrick McDonald gave Council information to review regarding the new Pierce Force Pumper Tanker. This new purchase will be the second engine for the department. It is a custom cab with air bags, etc. This engine will hold 1,800 gallons and will be the first out engine for structure fires. Engine 81 holds 1,000 gallons and will become the first out engine for motor vehicle accidents (MVA), etc. Hopefully, with this new engine there will be an improvement to the ISO rating.

The new engine will cost \$510,000 and the BCVFD is prepared to pay a down payment of \$100,000 on this purchase. If the \$100,000 down payment is made in June (this month), the BCVFD will qualify for a \$15,000 discount. They will add the \$15,000 amount as a payment toward the principal.

Delivery is expected in January 2017. The interest rate is 3.5%. Annual payments will be between \$3,400-\$3,600 per month according to BCVFD Treasurer, Clayton Graves. The lender actually collects one payment a year in the amount of \$37,000 for fifteen years. The BCVFD does not have any debt at this time.

Public Hearing closed at 6:14 pm.

5. **Discuss and approve Beach City Volunteer Fire Department (BCVFD) to enter into a Master-Lease Purchase Agreement to finance a Pierce Enforcer Pumper/Tanker, 1500gpm, 1850 gallon tank**

Mayor Combs asked Chief McDonald where the BCVFD stands on the contract for the purchase of the new engine. Chief McDonald stated that the contract assumes that the BCVFD is tax exempt. However, the BCVFD had their 501c3 tax exemption status suspended for filing tax returns late. They have re-filed for the 501c3 and Congressman Babin's office has been assisting the BCVFD with this matter. There is one tax return that was filed as a 501c3 status and it has been rejected by the IRS. Within 90 days the BCVFD should receive notice from the IRS regarding the tax exempt status. Chief McDonald stated that he will not sign a contract stating the BCVFD is a 501c3 organization when they are not. The status of the 501C3 does not change the need for the City to approve this purchase.

Attorney Jackson asked if they could put "Pending" on the contract until the 501c3 status is reinstated. Chief McDonald will ask if this an option.

**Motion to approve**

**Motion:** Newman

**Second:** Colquitt

**Approved:** 5-0

6. **Discuss and consider an Ordinance ordering a Special Election to be held on November 8, 2016 to submit a proposition on the question of the adoption of a Local Sales & Use Tax within the City of Beach City, TX. at the rate of one and one-half percent (1.5%); approving a joint election contract with Chambers County; authorizing the City Secretary to execute said contract; providing for notice; fixing the time, place and manner of holding said election; and providing an effective date**

Mayor Combs suggested Council table this item in order to educate the residents on the proposal of a Sales & Use Tax. Council concurred.



## 7. Consider and adopt a Resolution authorizing signatures for new Capital Bank CD

The City was prepared to continue banking with BBVA Compass Bank and keep the recently matured CD with that facility. However, BBVA will not honor the rates recently quoted. A decision was made to move the CD to Capital Bank and a Resolution for the newly created CD is in order.

**Motion** to adopt a Resolution authorizing signatures for new Capital Bank CD

**Motion:** Walker

**Second:** Lasater

**Approved:** 5-0

Discussion: The recently matured CD value is approximately \$47,000, Mayor Combs would like to add enough money from the General Fund to open the new account at an even \$50,000. This additional funds needed to open a \$50,000 CD would be less than \$3,000 and will be deducted from the General Fund.

## 8. Budget Workshop for Fiscal Year 2016-2017

Mayor Combs reviewed with Council the proposed budget, line by line, item by item. Discussions on the proposed budget line items include:

- a). Extending the City's office hours by an additional four hours per week, due to the volume of business the City office has been experiencing.
- b). Increasing the secretaries pay by 3.5%. Alderman Walker would like to see any remaining money carried over and applied toward assisting the City with the future possibility of septic and/or water utilities.
- c). Chief McDonald spoke on BCVFD's estimated budget of \$100,000 for FY 2016-2017.
- d). Increasing the City Attorney's retainer fee from \$4,200 to \$5,100; which is a 21.43% increase. Secretary Donnelly asked for this increase due to the volume of ordinances, resolutions, nuisance complaints, issues with a local utility provider, etc. that have transpired in the last three and a half years. The current retainer fee is below that of some other cities. Attorney Jackson has served as legal counsel for Beach City for approximately thirty-eight years. Alderman Walker added that he feels the budget should be cut and Council should not budget everything the City has as revenue. Mayor Combs noted that Attorney Jackson's workload has tripled in the Mayor's six year tenure. The City always budgets the full amount of income but we do not always spend it; there has always been a fund balance.
- e). Municipal Court has been added as a line item for the first time.
- f). How to cover the costs of a city survey for FY 2016-2017. Literature will also be added to the mail outs on the proposed sales and use tax and updating residents on Ordinance Codes.

## 9. Adjourn

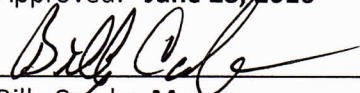
**Motion** to adjourn at 8:08 pm

**Motion:** Walker


**Second:** Colquitt

**Approved:** 5-0

Approved: **June 28, 2016**

  
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Billy Combs, Mayor

Attest:

  
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Evonne Donnelly, City Secretary