

**MINUTES**  
**FRITCH CITY COUNCIL CALLED SESSION**  
**TUESDAY AUGUST 23, 2016**  
**CITY ANNEX 509 W. BROADWAY FRITCH, TEXAS**  
**6:00 P.M.**

**1. Call to order.** Meeting called to order by Mayor W. Kelly Henderson at 6:00 p.m. Councilmembers present: Dwight Kirksey, Denise Campbell, Mayor Pro Tem Richard Hein, Arturo Gutierrez and Arlin Audrain. City Employees present: Steve McKay, Cody Bengé, Monte Leggett, Ed Adamson, Abby White and Cindy Cook.

**2. Discuss proposed tax rate of .712625/\$100 (I & S - .335198/\$100 and M & O - .377427/\$100).** The effective tax rate is \$0.712625/\$100 valuation. This rate will bring in the same amount of Ad Valorem as last year. This is less than last year's rate of \$0.726230/\$100 valuation. This would give the city people a small break. Motion made by Mayor Pro Tem Hein to accept the proposed rate of \$0.712625/\$100 valuation. Second made by Councilmember Audrain. Vote 5/0. (This item was discussed after the budget workshop).

**3. Budget workshop.**

City Manager began by saying that he had streamlined the budget by combining some items and alphabetizing the lines. Projects such as roof repair, vehicles for maintenance, police department and fully staffed departments have been included in this budget.

Mayor Pro Tem Hein commented that there is a mistake on summary page on Recycle.

Manager McKay said it will be corrected. The required repairs on the water system as presented by Brandt Engineering in regards to the violations with TCEQ are not included in this budget. We are looking for grants and loans to fund these repairs. If we were granted a loan, the payments would not begin until next year's budget. With the City's Triple D minus rating, it is not likely that we will receive a loan. Texas Water Development Board is researching if there are any available funds to assist with the water repairs.

Mayor Henderson said it is pressing that we start on this project. Once we start, does this get TCEQ off of our back?

Public Works Director Bengé said we've put them off for three or four years. We have to do something.

Mayor – Engineer Brandt drawing up the plans and making the presentation is a start in the right direction. Major part of the first phase was getting three wells up and running. How much was the cost per well?

Director Bengé – About \$150,000 per well.

Manager McKay – We should have enough money in capital improvement to get two of the three wells running.

Director Bengé spoke about installing a SCADA system that would notify him by phone if a level was too low or if there were other issues to be tended to. Some issues could be handled by phone.

Mayor Pro Tem Hein – The whole reason we jumped up the rates was to fix the water system and pay off debt. Looks like we absorbed the increase into the regular budget as opposed to setting the money aside for the water system repairs.

Mayor – We need \$ 1.2 million to get the project done. It may take us six years to complete.

Director Bengé – Phase 1 includes well pumps, well piping and chlorinator. Phase 2 is the ground storage tank. Phase 3 is the transmission line.

Councilmembers Campbell and Kirksey made comments agreeing with Mayor Pro Tem Hein.

Mayor – I want to bring the rates down as much as possible. I agree with Richard that if we keep these rates, we need to set aside as much as possible into repairing the water system.

Audience – Water has to be the central issue.

Mayor – If annexation were to ever be considered, we would have to be providing water and sewer, reasonable response time from Police.

Darla Harriman – According to PRPC, Fritch is in good standing for receiving a grant.

Manager McKay – Yes, we have received a grant for a 6" line going out towards the harbor.

Councilmember Audrain – What have we done so far on the wells?

Director Bengé – Pump testing, cleaning, ran the camera.

Manager McKay – According to the test, when we put on the boosters, we should get twice the water volume.

Mayor – We need to make sure the money is going where it is intended. I understand we need more people. In this budget, some departments are increasing dramatically. Parks going from zero to \$88,242. I love the idea of having someone working in the parks. No one loves the park as much as my mother, but I think it is a luxury we can't do. The museum is doing fantastic, but going to \$90,845 is not reasonable. Part of this money is to make repairs to the building and splitting the cost between Police and Museum. Should we spend this much on a building that is not worth that much?

Museum Director White – The dioramas are actual pieces of artwork. The City paid \$15,000 several years ago to have LaNelle Poling paint these dioramas. We need to try and save these.

Mayor – I think we could get a nice metal building for \$90,000. I have trouble seeing us spend that much on repairs.

Chief Leggett – One of the things to consider is that money for the roof repair was given by the insurance company but it was spent on other things. All the indentations in the roof indicate damage but bidders want to peel back the layers and look. Mesa Roofing is the only one that's given a bid. We have quite a number of leaks in Police Department and some in the Museum.

Councilmember Kirksey – Can we ask contractors out of Amarillo?

Manager McKay – We had other people look but because of the structural issues they didn't want to bid.

Chief Leggett – There are too many underlying issues with the structure that can't be seen and people are afraid to bid.

Mayor – Is it just roof repair?

Manager McKay – The back wall is not attached.

Chief Leggett – If the roof would have been repaired when the original claim was made, we would not have the damage. This is almost like opening Pandora's Box.

Mayor – Where is this wall in relation to the Police Department and the Museum?

Chief Leggett – It is the back wall in my office that adjoins the Museum.

Mayor – I can't imagine putting \$90,000 into a \$50,000 building. Can we shut this area off?

Chief Leggett – It is approximately 1500 square feet.

Councilmember Campbell – Can we get an estimate on a metal building?

Mayor – There is land across from the dental office that could be used.

Manager McKay – Did you include parking lot and concrete and finishing out the inside?

Mayor – I don't see any logic in putting that much money in an old building.

Manager McKay – So what do you want me to do with the Museum and Police Department?

Councilmember Audrain – We need to look around town at some of the empty buildings and get some options.

Audience – You can't replace the dioramas for \$90,000.

Mayor – Can we move them?

Manager McKay – Yes, but it will really cost.

Chief Leggett – Most of the damage is on the Police Department side.

Mayor – We need to brainstorm. I don't want to do something with other people's money that I wouldn't do with mine.

Councilmember Kirksey asked for a breakdown of what office expense, office supplies and supplies are.

City Secretary Cook said office expense is the more expensive items such as printers and computers. Office supplies would be pens, paper, ink, post it notes, etc. Supplies generally are paper products for City Hall. Supplies for maintenance department would be gloves, masks, tape. Supplies for police might be ammunition.

Councilmember Campbell – Can we break the street improvement into pieces so that we do some each year?

Manager McKay – Used to the surrounding counties would get together to have street work done. An engineer would pick the streets to be repaired so there would be no bias. I was planning for Eagle Boulevard and the area around the high school to be repaired first. It is \$33,000 per mile to chip and seal. Eagle Boulevard will take \$100,000 depending on the cost of oil, gravel and the engineer fees. I don't know for sure if they even still work together like that.

Councilmember Campbell asked for a clarification on the \$45,000 in penalty fees.

City Secretary Cook said those are late fees incurred by the customer after the fifteenth of each month and the twenty-fifth.

Councilmember Campbell asked if we could purchase the needed vehicles in steps instead of all at once.

Manager McKay said that is totally up to the Council. Do you want one vehicle per year or one vehicle per department? A while back the police had to transport a juvenile to Fort Worth and it left only one vehicle in town because the other one was in the shop.

Chief Leggett said the push rod and camshaft is damaged on the Charger and is not in service at this time. The police department has a 2015 Explorer, 2015 Impala and a 2012 Tahoe. Hopefully we will get the Charger running. It has 92,000 miles. It is eating us up in repairs.

Mayor – Let's side money aside for the water system repairs and then what is left over we can divide up.

Manager McKay – We may not know what money will be needed for six to eight months.

Mayor – We know we need about \$1.2 million to get the wells up to date. We should set \$450,000 for wells and the chlorinator. We need a long term plan. We have had TCEQ and someone from PUC tell us our rates are too low.

Manager McKay – Steven Mint, not with the PUC, who writes software for calculating water rates, said the rates should be at \$80 a minimum considering the indebtedness of the City.

Mayor – We are in the middle of what people want which is for the rates to go down. City management and employees say if you want the City to be run as it should be, this is the budget to use. I want the rates to go down but not to the expense of not paying bills.

Mayor Pro Tem Hein said we can't go back because the damage wasn't done just to the water system. I saw one of the city vehicles being pushed backwards because it doesn't have reverse.

Mayor – We need capital improvement with a six year plan to replace vehicles as we go. We want to slow the process down but the employees want it now. How many vehicles do you have in maintenance?

Director Bengé – I have three vehicles.

Mayor – Maybe instead of spending \$25,000 on a new vehicle, we get two used.

Director Bengé – That’s what we have been doing. We have spent \$70,000 this year on repairs.

Mayor – Spending \$70,000 to save \$28,000 makes no sense. We have employees that have stuck with us through this entire struggle without much compensation. I think that’s one of the worthy expenses. We need to rein it in or it will be just like everybody said, “It will never go down”. We need to get things down as low as we can. Anything is better than leaving it where it is.

Councilmember Kirksey – I am still confused on the court costs and estimates. What are we basing our future estimates on? I don’t see supporting numbers on the reports.

City Secretary Cook – I have been given monthly notes to council which informs you of how far I am on the bank statements. As of today, we are up to June on Public Works and all other accounts are caught up but Court. I still need to put in February to July into the system. We are basing our estimates on the amount that has come into the bank and the number of show causes going out for court.

Councilmember Campbell – How many vehicles do we need for the maintenance department?

Director Bengé – I have retired some of our vehicles. If I could get two this year, it would be great. We also need a plan to purchase vehicles yearly.

Mayor – In the past, vehicles have not been planned for. We have to get on a plan, but we are dealing with a lot of things at this time.

Councilmember Campbell – Would refinancing the bonds help?

Manager McKay – At this time, no one will touch the refinancing because of the city’s rating.

Mayor – Do we have a timeline as to when it would be possible?

Manager McKay – As far as I know, we are still at a triple D rating. I don’t know when they will rerate. We haven’t missed a payment this year and we have made some big payments.

Mayor – If we take \$130,000 plus another \$200,000 for well repair. It may be slower than we want. Have we compared our rates with other cities? Can we go through and hammer out the expenses to see if we can cut rates.

Manager McKay – When we compare, we have to consider the city’s indebtedness also.

Darla Harriman – The focus has to be on providing water.

Mayor – We will do what is necessary to provide safe water.

Manager McKay – We have to provide safe water. If not, the City will be in trouble and our guys with licenses could go to jail.

Mayor – I'm glad we don't have a timeline on these repairs.

Manager McKay – We are closer to a timeline than not.

Darla Harriman – In a previous meeting, it was discussed painting the water storage tank which would require shrouding it. Has underground storage been considered?

Mayor – That is included in the phases as presented by the engineer. It may be ten to fifteen years.

Director Bengé – We have to have a standpipe for the gravity feed. Underground doesn't help us.

Mayor – That's where the booster pumps come in. We have to shift the expenditures to water. What is the cost to fix the annex?

Manager McKay - \$14,000.

Mayor – The annex is worth \$33,000? City hall - \$50,000?

Manager McKay – We might be able to build a city complex by the dental office for \$165,000. That is something ANB might be willing to fund.

Mayor – The citizens might be willing to accept spending \$80,000 on a new building instead of repairing old buildings.

Fire Chief Adamson – We should check with Borger Fire Department. They completely gutted, put a metal roof, bricked and rehabbed their building for \$1.6 million. They added one bay and it is completely new inside.

Manager McKay – We also need to consider what's going inside the walls because of the leaks.

Councilmember Campbell – Building new might be cheaper than remodeling.

Mayor Pro Tem Hein – It cost \$80,000 to reskin the bus barn.

Mayor – I'm hard pressed to vote on \$90,000 for repair.

Councilmember Kirksey – Can we wait another year on the building repairs?

Manager McKay – City Hall maybe, but not in the PD. We have to think about what's growing in the walls and rafters. We should also think about a city complex that would include a community center. There may be some grants available.

Director White – There are grants available for museums but it would not include the PD. My job as director is to preserve the artifacts. Amarillo Area Foundation may have some grants available based strictly on historical preservation. I can contact the Harrington Foundation to see what they have available.

Manager McKay – If you can set that up in the next few days, we'll go talk to them.

Audience – Weren't the buildings insured?

Manager McKay – Yes, but the money was spent on other things and the buildings did not get repaired.

Mayor – Can we look at going back on the rates? \$30 may not be feasible.

Manager McKay – We will need to have another workshop on August 30. I will bring more budget options and look at metal buildings and available buildings.

Mayor – Let's shift our focus more to water.

Councilmember Kirksey – What are the rules on budget if we find a building but it is not included in our budget?

Manager McKay – We can amend the budget.

Mayor – I don't want it to become a common practice that we do every budget. On the vehicles, let's see what we have and go barebones. I don't envy you guys having to deal with this.

Darla Harriman – Account 5425 is labeled Brinson Expenses. Once you tie the systems together, will this stay separated?

Manager McKay – It needs to be tied together before we combine the expenses. We could change the name.

Director Bengé – This is more for tracking purposes.

Councilmember Kirksey – What about the parks?

Manager McKay – I will take it back like last year and put extra money in water for mowing.

Mayor – I hate it but I don't know what options we have.

**4. Adjourn.** Motion to adjourn made by Councilmember Audrain. Second made by Councilmember Campbell. Vote 5/0.

**READ, PASSED AND APPROVED on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.**

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**Mayor W. Kelly Henderson**

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**Cindy Cook, City Secretary**