

**MINUTES**  
**FRITCH CITY COUNCIL CALLED SESSION**  
**TUESDAY AUGUST 30, 2016**  
**CITY ANNEX 509 W. BROADWAY FRITCH, TEXAS**  
**6:30 P.M.**

**1. Call to order.** Meeting called to order by Mayor W. Kelly Henderson at 6:30 p.m. Councilmembers present: Dwight Kirksey, Denise Campbell, Mayor Pro Tem Richard Hein, Arturo Gutierrez and Arlin Audrain. City Employees present: Steve McKay, Cody Benge, Monte Leggett, Ed Adamson, Abby White, Carrie Driscoll, Alfonso Garay and Cindy Cook.

**2. Executive Session: The City Council will convene into closed session in accordance with Texas Government Code Subchapter D, Section 551.074 – Personnel Matters.** Council dismissed into Executive Session at 6:30. City Manager Steve McKay was asked to come in at 7:45 p.m. Council reconvened into Open Session at 8:26 p.m. No action taken.

**3. Budget workshop.**

Mayor Henderson began by saying City Manager Steve McKay took the Council's feedback from last meeting and ran with it. On this budget, Administration is down \$104,000, Police Department down \$135,000, Court down \$6,000, Museum down \$55,000, Parks totally taken off and Streets down \$201,000. Transfer to General Fund dropped almost \$600,000. Water rates were originally raised to pay off past debt and TCEQ violations. \$425,000 has been added to Capital Improvement in Water for water system repairs. This will help us with our repairs. We are checking into availability of funds but we don't know if we can even borrow with our credit rating.

Manager McKay said ANB might consider helping with a \$300,000 - \$400,000 loan with a 24 month payout on pumps, motors, city wells and a generator. I have talked with the Texas Water Development Board to see if they can help us with funding. The TCEQ violations are becoming a necessity.

Mayor – Possibly in the future, the City can have their own trash service. We can probably do it cheaper and make a little money for the City.

Manager McKay – Republic has a service to help us start our own should we choose to do so.

Councilmember Kirksey made comments about possibility of combining office expense, office supplies and supplies.

Manager McKay – We can combine those items into one category if you wish.

Mayor – Do the department managers submit their budgets to you?

Manager McKay – yes.

Fire Chief Ed Adamson discussed his budget with Council. The main purchase on the new budget is on the compressor for filling the air tanks. Chief Adamson said in the past he has used Borger Fire Department and Phillip's Refinery for getting the air tanks filled. Phillips recently purchased a new unit but they do not want to fill anyone else's tanks. For all these years, we have not required our members to wear air packs even when they should have. Some situations like dumpster fires and car fires, we would just tell them to stay out of the smoke because it is so difficult to get the air tanks filled. We have even held off on training situations with the SCBA because it is so difficult to get them filled.

Mayor – I want to play devil’s advocate here for a moment. The Fire Department is doing a fantastic job even though there were some questions in the past about you being the Fire Chief. You have a pretty proven record of not needing the air tanks. Have we had any one suffer adverse effects?

Chief Adamson – Some with a chronic cough.

Mayor – Are there any communities with less than 10,000 population who have one of these units?

Chief Adamson – Panhandle and Gruver. Borger also has one but they are larger than 10,000. This is a newer generation. Things change and we need to change along with them. This is an opportunity to put it into our budget. Our officers said this is what we need most to help protect our people.

Councilmember Hein – What about buying extra bottles and having them filled?

Councilmember Campbell – I work in a small plant and we don’t have one of these. We buy extra bottles. That is cheaper than the compressor for 19 people.

Chief Adamson – How often do you use the bottles?

Councilmember Campbell – Twice a year probably.

Chief Adamson – We may use them twice a year or 37 times a year. We have been using Borger’s compressor for free that they spend money to purchase and maintain.

Mayor – Wasn’t the original quote \$22,000?

Chief Adamson – Yes, we checked around some more and the current price is \$25,000.

Mayor – What is the shelf life?

Chief Adamson – 15-20 years with proper maintenance and keeping records.

Mayor – on the Repair and maintenance of vehicles, you are over budget this year and yet you kept the same budget as last year.

Chief Adamson and Manager McKay talked about some of the repairs that have had to be done on the Fire Department’s aging vehicles.

Councilmember Kirksey asked for a definition of “Repair and Maintenance – Other Equipment”.

Chief Adamson – SCBA’s.

Discussion was held concerning the coding and what items might could be combined in order to streamline budget issues.

Councilmember Kirksey – If you didn’t get the breathing machine, would you be ok?

Chief Adamson – Would I?

Councilmember Kirksey – You can take it personal or business.

Chief Adamson – I take it personal because I may put my people in danger. I don't want to have to go to anyone's family and tell them their loved ones are not coming home. We haven't required wearing the tanks because we can't fill the bottles readily.

Manager McKay – Maintenance guys can also use it to fill their cylinders.

Chief Adamson – We could do without but it puts my people in danger.

Next Museum Director Abby White met with Council.

Councilmember Kirksey – When you look at your budget, do you feel comfortable with it or would you make changes to it?

Director White – I'm a team player. There are a lot of things that need to be done at the Museum and a lot of things I want to do, but I will do whatever to keep the doors open.

There was also a discussion with Director White concerning the coding. She informed the Council that she normally gives her receipts to City Secretary Cindy Cook.

Mayor – Parks Department has been zeroed. We will look at the Police Department next. Capital expenditures are down from \$5000 to \$2500. What did you cut?

Chief Leggett – We received a better quote on the roof repair. A company has bid \$30,500 with a ten year warranty on the whole building. The building would be washed and sprayed with varathane.

Manager McKay – They bid \$23,500 to do City Hall and \$6000 to do the Annex.

Mayor – I like the sound of those numbers.

Discussion was held concerning the cost of dispatch. Chief Leggett said it is unknown how much the fees will be until the new sheriff takes over. He also said having CopSync helps to keep the costs down.

Councilmember Campbell – you spent \$6338 on supplies but only budgeted \$2000. Are you cutting yourself short?

Chief Leggett – I will have to look to see what I had listed for supplies.

Councilmember Kirksey – How many employees in the Police Department?

Manager McKay – There are 2 full time and the rest are reserves. Reserves average \$14.92 an hour. We have matching payroll taxes but no medical benefits. If they work over 1,000 hours, they are put on retirement.

Councilmember Campbell – Is it cost effective to have reserves instead of full time personnel?

Chief Leggett said yes. Reserves are more versatile on the shifts they will cover.

Mayor was concerned that with so many moving parts, that the reserves might not be on the same page as the full time staff, but Chief Leggett assured him that they are. Chief Leggett also told the Council that it was very difficult to find an entity that would carry an officer's commission.

Mayor – Let's talk about the elephant in the room which is the need for vehicles in your department. You show \$20,000 budgeted for vehicle payments. What does this include?

Chief Leggett – The Explorer payment is once a year and it is approximately \$8,000. We have a \$8900 grant waiting for us which will outfit the vehicle.

Council discussed the current police department vehicles which are: 2012 Tahoe which is paid for, 2015 Impala which is paid for, 2015 Explorer which has three payments left. The Charger is in the shop. Currently, there are four officers driving one vehicle.

Darla Harriman – Once you have CopSync would for a year, are you eligible for grants?

Chief Leggett – Court received a \$3500 credit for Court Sync.

Mayor – Is there a fee for every officer on CopSync?

Chief Leggett – Not all of the officers are on CopSync. Some write tickets by hand.

Mayor – And if they need backup?

Chief Leggett – They use the radio.

Mayor – If things work out and we get another police vehicle, can we put them on a five year payout?

Chief Leggett – Yes and they offer extended warranties on the new vehicles. The Explorer is seven years, bumper to bumper for the first 115,000 miles.

Mayor – When do you expect to retire the 2012 Tahoe?

Chief Leggett – I am at 57,000 miles and would like to get two more years out of it.

Mayor – Where do you get the vehicles?

Chief Leggett – Sam Pack 5 Star Ford, Defender Supply out of Carrollton.

Mayor – This is not a huge increase from last year's budget.

Councilmember Kirksey – I don't see ammo budgeted.

Chief Leggett – Gander Mountain had a good deal on ammo. I bought enough for the year. Council next discussed the budget for streets.

Mayor – Down from previous budget. We wanted to put \$150,000 into street repair but we will only have \$10,000.

Manager McKay spoke with Council about the dire need of having the dirt roads maintained and how hard it is to get someone to come. The maintainer is in need of repair and will not be cheap. Ronnie Morrison is very smart about working on drainage and will be able to help but we need equipment. It is possible the City may be able to rent equipment instead of purchase if the cost of the maintainer repair is too high.

Councilmember Campbell inquired about repair and maintenance of machinery in streets with a cost of \$4,360. Manager McKay said he would look into it.

Councilmember Kirksey asked about the difference between repair and maintenance of street and street improvement. Manager McKay said filling potholes is considered repair and maintenance and chip and seal is considered improvement.

Councilmember Hein inquired about traffic signs and street signs. Traffic signs are like yield and stop signs. Street signs are names of streets. They discussed possibly combining these two categories.

General revenues were examined next. Council discussed with Fire Chief Ed Adamson about the Fire Department Subsidy. \$55,000 was budgeted but only \$12,087 had been received. Council was informed that these payments are quarterly. Chief Adamson explained the process of submitting documentation in order to receive the funding.

Administration expenses were examined next. Mayor commented that it had dropped \$104,000. Manager McKay said most of that was attributed to the roof repair for city hall and the annex. We have a new bid that has been submitted.

Councilmember Hein inquired about EMS expenses and ambulance subsidy. EMS expenses are primarily the expenses to house the ambulance which would include insurance on the building, utilities, building repairs. One recent repair was on the bay door.

Questions were asked about training and election cost. Manager McKay said there are classes that are required for him and the city secretary. Secretary Cook said most of the election expense was on the rental of the machines. In the off years, the county will rent to the city and the cost is very reasonable. The other costs are for supplies and the people who work the election like the judges.

Animal control saw an increase of \$5,000. Ronnie Morrison is employed in animal control and code enforcement but his salary is paid out of animal control. It was budgeted to allow Mr. Morrison to buy some uniform shirts. Examples of operating expenses for animal control would be dog traps and catchpoles.

In Code Enforcement, we hope to have some houses tore down. We have three different groups who are willing to tear down the houses for free in exchange for the lumber.

In the discussion on Court expenses, questions were asked about the collection expense and if the amount of \$38,000 is too large. Chief Leggett said we have quite a backlog of cases to clear up. We

hope to have a warrant roundup soon. Explanation was given on what state court fees consist of. Council was told that the Judge handles the reporting of these fees.

Councilmember Campbell asked if the software for court was costing more than we budgeted. Chief Leggett explained that the software is not all inclusive but that there are modules that we can buy at an additional cost if we need them. Manager McKay explained that educational materials refer to handouts for driver safety and items of that nature. Discussion was also had concerning required classes for Court.

In the discussion on Public Works revenue, Council asked questions on the penalty fees and collection station fees. It was decided that collection station fees should be decreased to be more accurate.

Council asked about the audit expenses and why it was not divided between all departments. Manager McKay said it was easier to divide it between Admin and Water.

On Recycle/Trash, Council discussed about the part time employee, Jimmy Morrison and why is has retirement expense. Secretary Cook explained that he was never taken off of retirement from when he was full time and because he works more than 1000 hours per year. TMRS requires that all employees working more than 1000 hours per year be put on retirement. Manager McKay also explained about the difference in the cost of worker's comp. He informed the Council that it goes by department not individual.

Council discussed the money set aside for capital improvements in water and sewer. It was also stated that some of the maintenance men are driving their own vehicles for work because of the lack of working vehicles. Purchasing vehicles for the maintenance crew had been put off in previous budgets.

Councilmember Hein asked if there were two full time individuals working in the sewer department. Manager McKay said there had not been two full time since he started.

Councilmember Kirksey asked about the costs of repairs of pumps, wells and rotors. Manager McKay said that a couple of rotors had blown because of lightening and storms. The City usually has to call out B & G Electric in the middle of the night when these things go down.

Councilmember Campbell wanted to know about the permit expense. Manager McKay said these costs are not incurred every year and one is permitted every five years. Councilmember Campbell also asked if Director Benge had worked up a compliance calendar for the City. Manager McKay said yes.

In water, capital improvement budget was changed to \$600,000. This will help us get back to the state requirements without funding if we need to. Mayor also commented on the \$15,000 in capital improvement. It was explained that this is for vehicles as in sewer. They are looking at used vehicles around \$7,500 to \$10,000.

Mayor Henderson asked where the money from the buyout of the cell tower lease was on the budget and how that was progressing. Manager McKay said we have not heard anything back yet. Mayor also asked about the money the City received for grazing lease. Manager McKay said he would look into it.

Councilmember Audrain asked about the division of the water system and the Brinson system. Manager McKay said while the two systems are separate it is to assist in the tracking of the expenses.

Mayor Henderson asked Manager McKay to put more money into legal fees since we had spent so much with PUC lawsuit.

Councilmember Hein asked if there would be more employees included in this budget. Manager McKay said no extra employees. There will be some for contract labor and a part time summer worker.

Darla Harriman asked the Mayor about the transfer to General Fund from Public Works. She had previously sent information to the Mayor referencing Government Code Section 1502.059. Manager McKay handed a printout of this government code which does not mention a certain percent. Mayor Henderson said he would visit with City Attorney Daren Brown and Freddie Herrera concerning this question. Ms. Harriman stated she thought a certain percent should be set so that the City would not just transfer to meet the expenses.

Debt Service budget was examined next. It was explained that a certain amount of Ad Valorem funds the 2003 Bond and that water revenue funds the 2011 Bond.

There were some comments about the \$130,000 set aside in reserve. Manager McKay said that there will be some money moved into the bond account for bond payments for the beginning of the year. He also stated that at this time, there was approximately \$476,000 in the bank.

Mayor Henderson stated there will be one more meeting to hopefully finalize the budget. Manager McKay said on September 8, 2016 at 6:30 we can meet. Councilmember Campbell asked to receive a draft copy for review early in the week.

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

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

\_\_\_\_\_  
**Mayor W. Kelly Henderson**

\_\_\_\_\_  
**Cindy Cook, City Secretary**