

**REGULAR MEETING OF CITY COUNCIL
SEPTEMBER 2, 2014 – 6:30 P.M.**

PRESENT:	Robert Vinyard	Mayor
	Marvin Dickson	Mayor Pro-Tem
	Brandy Callahan	Council Member
	Charles Gillingham	Council Member

ABSENT:	Karen Felker	Council Member
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STAFF:	Eddie Edwards	City Manager
	Danny Richards	Emergency Management Coordinator
	Stella E. Sauls	City Secretary
	Scott Radach	Director, Finance Department
	Kenneth Petr	Director, Planning and Zoning
	Bruce Roberts	Chief, Police Department
	James Harder	Director, Utilities Department

VISITORS:	Taylor Packebush	Vannesa Munoz
	Rhon Munoz	Efren Munoz
	J. T. Conner	Jake Conner
	Michael Ellis	Jesse Shuffield
	Scott W. Honeyfield	Kenny Friar
	Luke Wyatt	Davonna Munoz
	Blanet Urizar	Lizet Dour
	Damaris Washington	Danielle Brittain

NEWS MEDIA: Sharon Castleberry

QUESTIONS AND COMMENTS FROM CITIZENS: Citizens who have indicated their desire to speak to the City Council will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter is on the agenda, City Council members are prevented from acting on the subject and may respond only with statements of factual information or existing city policy; however, City Council members may request city staff to place the subject matter on a future agenda. Citizens are limited to three (3) minutes for their presentation to the City Council.

MINUTES APPROVED: Following review of the minutes of the regular meeting of August 19, 2014, motion was made by Council Member Dickson, seconded by Council Member Gillingham, to approve the minutes for the regular meeting of August 19, 2014 as submitted. The

motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

PAYMENT OF EXPENDITURES APPROVED: The expenditures for the last half of August 2014 were submitted for the consideration of the Council. Following discussion, motion was made by Council Member Gillingham, seconded by Council Member’s Dickson and Callahan, to approve payment of the expenditures for the last half of August 2014 as submitted. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

ORDINANCE O-005-14 AMENDING THE FY 2013-2014 OPERATING BUDGET APPROVED: City Manager Eddie Edwards submitted for the consideration of the Council on final reading Ordinance O-005-14 amending the City’s budget for fiscal year 2013-2014. Following discussion, motion was made by Council Member Callahan, seconded by Council Member Gillingham, to approve on final reading Ordinance O-005-14 amending the FY 2013-2014 Operating Budget. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

The caption of Ordinance O-005-14 reads as follows:

ORDINANCE O-005-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BORGER, TEXAS, AMENDING THE CITY’S BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013 AND ENDING SEPTEMBER 30, 2014 AS ADOPTED BY ORDINANCE O-010-13; PROVIDING FOR SUPPLEMENTAL APPROPRIATIONS AND TRANSFER OF CERTAIN FUNDS; PROVIDING THAT PRIOR PARTS OF ORDINANCE O-010-13 INCONSISTENT WITH OR IN CONFLICT WITH ANY OF THE PROVISIONS OF THIS ORDINANCE ARE HEREBY EXPRESSLY REPEALED TO THE EXTENT OF ANY SUCH INCONSISTENCY OR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

PUBLIC HEARING CONDUCTED – ORDINANCE O-006-14 INTRODUCED MAKING APPROPRIATIONS IN SUSPORT OF THE 2014-2015 BUDGET: City Manager Eddie Edwards submitted the proposed operating budget for 2014-2015 and reviewed the projected revenues and expenditures. Mayor Vinyard opened a public hearing on the proposed budget and asked if there were any comments. There being no comments, the Mayor closed the public hearing. Motion was made by Council Member Callahan, seconded by Council Member

Dickson, to introduce on first reading Ordinance O-006-14, making appropriations in support of the general operation of the City of Borger for the year beginning October 1, 2014 and ending September 30, 2015. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

The caption of Ordinance O-006-14 reads as follows:

ORDINANCE O-006-14

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF BORGER FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING FOR THE APPROPRIATION OF AN INTEREST AND SINKING FUND TO PAY INTEREST AND PRINCIPAL ON THE CITY'S INDEBTEDNESS; PROVIDING FOR THE ADOPTION OF THE ANNUAL BUDGET OF THE CITY OF BORGER, TEXAS FOR THE 2014-2015 FISCAL YEAR; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; AUTHORIZING SPECIFIC BUDGET ADJUSTMENT AUTHORITY TO THE CITY MANAGER; PROVIDING FOR THE RATIFICATION OF BUDGETED APPROPRIATION TRANSFERS IN THE 2013-2014 FISCAL YEAR; PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE

FIRST PUBLIC HEARING CONDUCTED ON CITY'S 2014-2015 PROPOSED AD

VALOREM TAX RATE: City Manager Eddie Edwards submitted to the Council the proposed ad valorem tax rate of 0.860000¢ per \$100 valuation which is an increase from last year's tax rate of 0.842070 per \$100 valuation. Mayor Vinyard opened a public hearing on the proposed tax rate and asked if there were any comments. There being no comments, the Mayor closed the public hearing. The Mayor announced that the Council will vote on the proposed ad valorem tax rate of 0.860000¢ per \$100 valuation on September 16, 2014 at 1:30 p.m. No action necessary.

RESOLUTION R-015-14 APPROVED:

City Manager Eddie Edwards, explained that the Canadian River Municipal Water Authority could possibly save 10.7% on remaining interest if Series 2005 and/or Series 2006 Bonds are refunded by November. Following discussion, motion was made by Council Member Dickson, seconded by Council Member Gillingham, to approve Resolution R-015-14 waiving the notice requirements and consenting to the refunding of Canadian River Municipal Water Authority Contract Revenue Bonds Series 2005 and/or Series 2006. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

Resolution R-015-14 reads as follows:

A RESOLUTION BY THE CITY OF BORGER, TEXAS, AUTHORIZING REFUNDING OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE REFUNDING BONDS, SERIES 2005 (CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT) AND/OR CANADIAN RIVER MUNICIPAL WATER AUTHORITY CONTRACT REVENUE BONDS, SERIES 2006 (CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT)

WHEREAS, the City of Borger, Texas (the "City") has entered into that certain Agreement for the Purchase and Acquisition of Conjunctive Use Groundwater Supply (the "Agreement") entered into as of May 15, 1996, as amended, with the Canadian River Municipal Water Authority (the "Authority"); and

WHEREAS, the Authority has entered similar agreements with each of the other cities that are members of the Authority (the "Member Cities"); and

WHEREAS, the Authority issued and has outstanding its Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2009 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2010 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Bonds, Series 2011 (Conjunctive Use Groundwater Supply Project); and Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 (Conjunctive Use Groundwater Supply Project); and

WHEREAS, the Authority has expressed its intent to issue refunding bonds to refund all or a part of the outstanding Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project) (the "Series 2005 Refunding Bonds") and all or a part of the outstanding Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project) (the "Series 2006 Bonds") if market conditions justify refunding both the Series 2005 Refunding Bonds and the Series 2006 Bonds; and

WHEREAS, if the market conditions do not result in sufficient savings to refund both the outstanding Series 2005 Refunding Bonds and the Series 2006 Bonds, then the Authority will want to refund such issue as may be economically feasible; and

WHEREAS, if the market conditions only justify the refunding of the Series 2005 Refunding Bonds, then the Authority desires to issue refunding bonds in a principal amount not to exceed \$13,500,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds; and

WHEREAS, if the market conditions only justify the refunding of the Series 2006 Bonds, then the Authority desires to issue refunding bonds in a principal amount not to exceed \$36,500,000 to refund all or a part of the outstanding Series 2006 Bonds; and

WHEREAS, the Agreement provides for certain notice requirements before the Authority may issue Additional Bonds, as defined in the Agreement; and

WHEREAS, the refunding bonds are Additional Bonds under the Agreement; and

WHEREAS, the timing constraints of getting the governing bodies of all Member Cities of the Authority to meet and approve refunding bonds may prevent the Authority from issuing refunding bonds in a timely manner to provide savings to the Member Cities; and

WHEREAS, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2005 Refunding Bonds and all or a part of the Series 2006 Bonds if a combined present value savings of at least 4.50% can be achieved; and

WHEREAS, if the market is such that only the Series 2005 Refunding Bonds can be refunded, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2005 Refunding Bonds if a present value savings of at least 5.50% can be achieved; and

WHEREAS, if the market is such that only the Series 2006 Bonds can be refunded, it is in the best interest of the City to waive certain notice requirements under the Agreement and consent to the issuance of the bonds to permit the Authority to refund all or a part of the outstanding Series 2006 Bonds if a present value savings of at least 3.50% can be achieved; and

WHEREAS the City agrees to the Authority's issuance of bonds as subordinate lien bonds to eliminate the need of a reserve fund;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BORGER, TEXAS:

SECTION 1. (a) That the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed \$50,000,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds and all or a part of the outstanding Series 2006 Bonds, subject to the requirement that the refunding bonds for both issues combined provide a present value debt service savings of at least 4.50%.

(b) Should market conditions only justify the refunding of the Series 2005 Refunding Bonds, the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed \$13,500,000 to refund all or a part of the outstanding Series 2005 Refunding Bonds, subject to the requirement that the refunding bonds for the Series 2005 Refunding Bonds provide a present value debt service savings of at least 5.50%.

(c) Should market conditions only justify the refunding of the Series 2006 Bonds, the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in a principal amount not to exceed \$36,500,000 to refund all or a part of the outstanding Series 2006 Bonds, subject to the requirement that the refunding bonds for the Series 2006 Bonds provide a present value debt service savings of at least 3.50%.

SECTION 2. That the City Secretary be and is hereby authorized to deliver certified copies of this Resolution and minutes pertaining to its adoption to the Authority in such numbers as may be requested for the Authority's records and proceedings.

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PASSED, APPROVED AND ENACTED this the ____ day of _____, 2014.

Mayor, City of Borger, Texas

ATTEST:

City Secretary
City of Borger, Texas

[City Seal]

VOTES CAST FOR CANDIDATES TO SERVE ON THE TML-IRP BOARD OF TRUSTEES: City Manager Eddie Edwards explained that the TML-IRP Board handles the City's workers' compensation, property, liability, and all other infrastructure insurance coverage. Mr. Edwards stated that the incumbents were doing a good job. Following discussion, motion was made by Council Member Gillingham, seconded by Council Member's Dickson and Callahan, to cast votes for the TML-IRP Board of Trustees to Robert Herrera, Place 1; John Fullen, Place 2; George Shackelford, Place 3; and Peter Vargas, Place 4. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

CHANGE ORDER #1 FOR HYDRO RESOURCES APPROVED: City Manager Eddie Edwards explained to the Council that the purpose for this change order is to provide water to the construction contractors and would increase the Hydro Resources Contract \$34,250.00. Following discussion motion was made by Council Member Callahan, seconded by Council Member Gillingham, to approve Change Order #1 increasing the total contract price of the Hydro Resources Contract from \$2,099,058.00 to \$2,133,308.00 plus \$5,280.00 per month for pumping equipment rental. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

CHANGE ORDER #1 FOR ASSOCIATED BUILDERS APPROVED: City Manager Eddie Edwards explained to the Council that the bid prices were favorable for a second tank for the North West Well Field Pump Station and Ground Storage Tank Project and that it would be a huge advantage for industry. Staff asked the Council to consider the additional tank in the form of a change order. Mr. Edwards introduced Scott Honeyfield for Parkhill Smith and Cooper to bring the Council up to date and the activity involving the North West Well Field. Following discussion, motion was made by Council Member Callahan, seconded by Council Member Gillingham, to approve Change Order #1 increasing the total contract price of the Associated Builders contract from \$2,939,000.00 to \$3,974,567.10 for the construction of a second ground storage tank. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

INTERJURISDICTIONAL AGREEMENT FOR EMERGENCY MANAGEMENT SERVICES BETWEEN HUTCHINSON COUNTY AND THE CITY OF BORGER APPROVED: Emergency Management Coordinator Danny Richards explained to the Council that the City and Hutchinson County would no longer share the Emergency Management Coordinator. The County is to hire an Emergency Manager and Mr. Richards will remain the Emergency Management Coordinator for the City. Mr. Richards did state that the City and County would continue to share the Emergency Operations Center. Following discussion, motion was made by Council Member Dickson, seconded by Council Member Gillingham, to approve the Interjurisdictional Agreement for Emergency Management Services between

Hutchinson County and the City of Borger. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

BANK DEPOSITORY CONTRACT AWARDED: The following bids were received and tabulated:

<u>BIDDER</u>	<u>INTEREST INCOME</u>
Amarillo National Bank	\$ 1,554.65
Happy State Bank	\$ 200.26

Director of Finance Scott Radach submitted an analysis of the depository bids. The most significant difference in the bids between Amarillo National Bank and Happy State Bank was the interest income. Following discussion, motion was made by Council Member Callahan, seconded by Council Member Gillingham, to award the Bank Depository Services Bid for the City of Borger to Amarillo National Bank for an initial two-year term, with three additional one-year terms. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

BID FOR CONSTRUCTION OF THE HUBER PARK BASEBALL FIELD HOUSE AWARDED: Director of Planning and Zoning Kenneth Petr explained to the Council the circumstances in this bid process and informed them only one bid was received in the amount of \$135,000.00. Following discussion, motion was made by Council Member Dickson, seconded by Council Member's Gillingham and Callahan, to award the bid to Penaco Builders, Inc., in the amount of \$135,000.00 for the construction of a baseball field house in Huber Park. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

EXECUTIVE SESSION: Mayor Vinyard stated that in compliance with Chapter 551, Texas Govt. Code, (Open Meetings Law), the Council would retire in to executive session relative to Section 551.072 Real Property:

- A. Discuss recommendation from the Hutchinson County Tax-Assessor on the following "struck off" properties:
 - a. 813 Moody St. (Lot 7, Block 2, Highland Park)
 - b. 416 Jefferson St. (Lots E1/2 14 & All 15, Block 18, Isom)
 - c. 108 Warner St. (Lot 9, Block 30, Coronado Terrace)
 - d. 1310 Yows St. (Lot 6, Block 8, Coronado Terrace)

- e. 1303 Jolly St. (Lot 13, Block 8, Coronado Terrace)
- B. Discuss the acquisition of the old SPS Office Building located at 4th and Deahl.

COUNCIL RETURNED TO OPEN SESSION: Following executive session Mayor Vinyard reconvened the regular meeting and announced that the Council discussed items relative to the Texas Govt. Code, Section 551.072 Real Property:

- A. Discussed recommendation from the Hutchinson County Tax-Assessor on the following “struck off” properties:
 - a. 813 Moody St. (Lot 7, Block 2, Highland Park)

Motion was made by Council Member Callahan, seconded by Council Member Gillingham to accept the bid of \$1,500.00 from John and Eileen Hanen for the property located at 813 Moody St. (Lot 7, Block 2, Highland Park). The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

- b. 416 Jefferson St. (Lots E1/2 14 & All 15, Block 18, Isom)

Motion was made by Council Member Callahan, seconded by Council Member Dickson to reject the bid of \$10,500.00 from John and Eileen Hanen for the property located at 416 Jefferson St. (lots E ½ 14 & all 15, Block 18, Isom). The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

- c. 108 Warner St. (Lot 9, Block 30, Coronado Terrace)

Motion was made by Council Member Callahan, seconded by Council Member Gillingham, to accept the bid of \$1,000.00 from Ernesto Luis and Nicole Ann De La Cruz Gonzalez for the property located at 108 Warner St. (Lot 9, Block 30, Coronado Terrace). The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

- d. 1310 Yows St. (Lot 6, Block 8, Coronado Terrace)

Motion was made by Council Member Callahan, seconded by Council Member Gillingham, to accept the bid of \$1,000.00 from Ernesto Luis and Nicole Ann De La Cruz Gonzalez for the property located at 1310 Yows St., (Lot 6, Block 8, Coronado Terrace). The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

e. 1303 Jolly St. (Lot 13, Block 8, Coronado Terrace)

Motion was made by Council Member Callahan, seconded by Council Member Gillingham to accept the bid of \$1,500.00 from Ernesto Luis and Nicole Ann De La Cruz Gonzalez for the property located at 1303 Jolly St. (Lot 13, Block 8, Coronado Terrace). The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

B. Discussed the acquisition of the old SPS Office Building located at 4th and Deahl.

Motion was made by Council Member Callahan, seconded by Council Member Gillingham, to authorize City Manager Eddie Edwards to execute a letter of intent with Xcel Energy for the purchase of property located at 430 N. Deahl St. for the original price of \$310,000.00. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

MEETING ADJOURNED: There being no further business, motion was made by Council Member Gillingham, seconded by Council Member Callahan, to adjourn the meeting. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

Mayor

ATTEST:

City Secretary