

**MINUTES
CITY OF ALVIN, TEXAS
216 W. SEALY STREET
REGULAR CITY COUNCIL MEETING AND
EXECUTIVE SESSION
THURSDAY SEPTEMBER 20, 2018
7:00 P.M.**

CALL TO ORDER

BE IT REMEMBERED that, on the above date, the City Council of the City of Alvin, Texas, met in a Regular Session at 7:00 p.m. in the Council Chambers at City Hall, with the following members present: Mayor Pro-Tem Keith Thompson; Council members: Gabe Adame, Joel Castro, Scott Reed, and Glenn Starkey.

Staff members present: Junru Roland, City Manager/CFO; Suzanne Hanneman, City Attorney; Dixie Roberts, City Secretary; Dan Kelinske, Parks and Recreation Director, Brian Smith, Director of Public Services and Robert E. Lee, Police Chief.

INVOCATION AND PLEDGE OF ALLEGIANCE

Judy Zavalla gave the invocation.

Council member Castro led the Pledge of Allegiance to the American Flag and Council member Reed led the Pledge to the Texas Flag.

PUBLIC COMMENT

Eugene Bauer spoke before City Council about listing inactive boards and commissions on the city's website.

PRESENTATIONS

Robert E. Lee, Chief of Police presented the annual update for the Police Department.

CONSENT AGENDA

Consider the approval of the September 6, 2018 City Council meeting minutes.

Consider approval of the September 13, 2018 Special City Council meeting minutes.

Consider Resolution 18-R-28, adopting the Fiscal Year 2018-2019 City of Alvin Investment Policy; providing for an effective date; and setting forth other related matters.

Pursuant to Chapter 2256.005 of the Texas Public Funds Investment Act (PFIA), the governing body of an investing entity shall review its investment policy and strategies not less than annually. The City's current Investment Policy has been certified by the Government Treasurers' Organization of Texas (GTOT) as meeting the requirements of the Public Funds Investment Act. As a result, for fiscal year 2018-19, staff is not recommending any revisions to the City's current investment policy.

Consider a bid award to Brenntag Southwest, Inc. to purchase Sodium Hypochlorite for one (1) year, with the option to extend for one year at the same terms and conditions, for an estimated total of \$60,000; and authorize the City Manager to sign the contract upon legal review.

Sodium Hypochlorite chemical is used to disinfect effluent (treated wastewater) from the City's wastewater treatment plant. On August 14, 2018, bids were opened and Brenntag Southwest Inc. was the lowest qualified bidder for Sodium Hypochlorite at \$.7675 per gallon. The projected annual cost for Sodium Hypochlorite in FY18 at \$.7675 per gallon is \$60,000. Last year, \$58,780 was spent on Sodium Hypochlorite at \$.77 per gallon. Upon Council approval an award letter will be sent to vendor and City departments.

Consider Resolution 18-R-30, finding that Texas New Mexico Power Company's ("TNMP") application to change rates within the City should be denied; finding that the City's reasonable rate

case expenses shall be reimbursed by the company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel.

The City of Alvin is a member of the Gulf Coast Coalition of Cities (GCCC), a coalition of cities known alternatively as the Cities Served by Texas-New Mexico Power Company ("TNMP Cities"). TNMP Cities has been an important interest advocating before the Public Utility Commission and the Courts on electric utility regulation matters for a number of years.

On May 30, 2018, Texas-New Mexico Power Company ("TNMP" or "Company") filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company sought to increase system-wide transmission and distribution rates by \$33.3 million, or approximately 16.6% over present revenues. This equated to a 23.4% increase in residential rates and a 11.8% increase in street lighting rates. If approved, monthly rates would increase by approximately \$12.21 for an average residential customer.

In May 2018, TNMP Cities engaged the services of two consultants, Mr. Lane Kollen and Mr. Richard Baudino, to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, the TNMP Cities' attorneys recommend that all members adopt the Resolution denying the rate change. Once the Resolution is adopted, TNMP will have 30 days to appeal the decision to the Public Utility Commission of Texas, where the appeal will be consolidated with TNMP's filing (i.e., PUC Docket No. 48401) currently pending at the Commission.

The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. In accordance with the law, on June 21, 2018, Council passed Resolution 18-R-22 suspending the July 5, 2018 effective date of Texas-New Mexico Power Company's (TNMP's) requested rate change. Under a pending settlement between parties (including TNMP Cities) and TNMP, the Company's request is substantially reduced. Under the proposed settlement, the Company would be permitted a \$10 million increase, or approximately a 6.6% increase in its revenues. This would result in a 9.9% increase to residential rates and no increase to street lighting rates. However, that settlement remains in the process of being finalized. The requested Council action is therefore denial of TNMP's original, \$33.3 million proposed increase.

Consider Interlocal Agreement with Brazoria County for the Fiscal Year 2018-2019 Asphalt Improvement Project; and authorize the Mayor to sign upon legal review.

The proposed Interlocal Agreement between the City and the County provides the mechanisms for the County to provide the City of Alvin with equipment and personnel to assist in the construction, improvement, maintenance and/or repair of two miles of asphalt streets in various locations within the city limits of Alvin. The City of Alvin entered into this partnership with Brazoria County in 1991, and has continued to use the program since that time. This program provides for low cost paving and rehabilitation of asphalt streets and has improved over 34 miles of asphalt streets since the start in 1991. In the last four years, the program has achieved the rehabilitation and paving of 74,000 linear feet of asphalt or 13 miles, averaging 2.3325 miles per year.

Should City Council authorize this agreement, staff will make recommendations of streets to be serviced using the Asphalt Street Assessment. This agreement has already been approved and signed by the Brazoria County Judge, L.M. "Matt" Sebesta.

Consider annual windstorm renewal from Victor O. Schinnerer & Company, Inc. in an amount not to exceed \$163,128.02, for the City of Alvin windstorm and hail coverage for FY19; and authorize the City Manager to sign the Proposal Acceptance Form.

Windstorm insurance is property and casualty insurance that specifically covers loss due to damage by high winds: i.e., hurricane and hail damage. The City's general property and liability insurance provider (Texas Municipal League – Intergovernmental Risk Pool [TMLIRP]) does not provide full windstorm and hail coverage for all city facilities. Currently, TMLIRP only provides windstorm coverage through their Coastal Storm Fund for wind resistive facilities, which includes City Hall, the Alvin Museum, and the Wastewater Treatment Building. However, TMLIRP has an arrangement with Victor O. Schinnerer & Company, Inc. (VOSCO), an underwriting manager of professional liability and specialty insurance, to serve as the City's insurance agent in placing windstorm coverage. VOSCO has written the City's windstorm coverage through various companies since 10/01/2000. The current (annual) windstorm policy with VOSCO expires October 1, 2018.

VOSCO canvassed the open marketplace and approached 17 different carriers on behalf of the City of Alvin. Each carrier modeled and reviewed multiple layers (i.e., primary, buffers, and excess), as well as various terms (deductibles, extensions

of coverage, etc.) in an attempt to yield the most competitive placement available. Of the 17 carriers that were approached, 6 declined to submit a proposal, 5 carriers only offered excess coverage, with the remaining carriers offering outrageous deductibles and/or high premiums. VOSCO did not approach Texas Windstorm Insurance Association (TWIA) for FY19 because the City has approximately \$16 million in scheduled value that would not qualify for coverage under TWIA, and TWIA's annual premium for the limited coverage would be in the ballpark of \$160,000.

VOSCO is proposing 2 options:

1. Option 1 – AmRisc Carriers
 - a. Total Insurable Value Limit \$33.3 million
 - b. Deductible \$10,000 per occurrence (wind/hail)
 - c. Deductible \$165,000 per occurrence (wind-driven precipitation)
 - d. Annual Premium \$163,128.02
2. Option 2 – AmRisc Carriers
 - a. Total Insurable Value Limit \$33.3 million
 - b. Deductible \$25,000 per occurrence (wind/hail)
 - c. Deductible \$165,000 per occurrence (wind-driven precipitation)
 - d. Annual Premium \$160,429.51

Even though the FY19 annual premium for option #1 is \$2,698 more than option #2, the deductible per occurrence for option #1 is \$15,000 less than option #2. With that, staff recommends that City Council approve Option #1 for windstorm coverage for FY19.

AmRisc currently writes coverage for several entities in Texas, including but not limited to: Dickinson, Manvel, Sweeny, Pearland, Bay City, Friendswood, Kemah, Lake Jackson, Oyster Creek, Richwood, and Brazoria.

For FY18 the windstorm coverage for the City included the following:

- a. Total Insurable Value Limit \$32.9 million
- b. Deductible \$10,000 per occurrence (wind/hail)
- c. Annual Premium \$162,713.25

Council member Adame moved to approve the consent agenda as presented. Seconded by Council member Reed; motion to approve carried on a vote of 5 Ayes.

OTHER BUSINESS

Consider Ordinance 18-O, adopting the annual budget for the City of Alvin, Texas, for Fiscal Year 2018-2019; directing the City Secretary to post a copy of the budget on the City of Alvin website; and setting forth other provisions related thereto.

On July 19, 2018, the City Manager presented the FY 2018-2019 proposed budget to City Council. Subsequently, two budget workshops were held on August 2, 2018, and August 9, 2018, whereby City Council and staff reviewed the proposed budget.

State law and the City's Charter require that the City enact an annual budget. The City Charter requires that an ordinance to establish appropriation must be approved by a favorable vote of a majority of the members of the City Council.

Council member Adame moved to approve Ordinance 18-O, adopting the annual budget for the City of Alvin, Texas, for Fiscal Year 2018-2019; directing the City Secretary to post a copy of the budget on the City of Alvin website; and setting forth other provisions related thereto; Seconded by Council member Starkey; motion to approve carried on a vote of 5 Ayes.

Consider Ordinance 18-P, adopting a tax rate of \$0.7880 (the current tax rate), which is effectively a 3.26 percent increase in the tax rate; and direct the Tax Assessor-Collector to assess, account for, and distribute the property taxes as herein levied.

A taxing unit may not impose property taxes on any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget.

For a taxing unit, other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order.

According to the Texas Tax Code 26.05(b), a motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the effective tax rate) percent increase in the tax rate."

For Tax Year 2018, staff is proposing that city council adopt a tax rate of \$0.7880 per \$100 of taxable assessed value, which is 3.26% above the 2018 effective tax rate of \$0.763094.

Tax Year	2013	2014	2015	2016	2017	2018
Tax Rate	\$0.8436	\$0.8386	\$0.8386	\$0.7980	\$0.7880	\$0.7880

Council member Adame stated that this was not a tax increase.

Council member Starkey moved to approve Ordinance 18-P, adopting a tax rate of \$0.7880, which is effectively a 3.26 percent increase in the tax rate; and direct the Tax Assessor-Collector to assess, account for, and distribute the property taxes as herein levied. Seconded by Council member Castro; motion to approve carried on a vote of 5 Ayes.

Consider Resolution 18-R-34, revising the Athletic Facilities Policy for use of parks and recreational facilities; establishing an effective date; and setting forth other matters related thereto.

The Athletic Facilities Policy is designed to ensure all City facilities are utilized in a safe and efficient manner. The policy provides priority use of athletic facilities for those associations requiring perpetual use, and provide recreational service(s) or to meet a community need. Recommended changes to this policy occur as necessary and are the result of collaborative efforts between the Alvin Sport Associations (ASA), the Parks and Recreation Board, and Parks Department staff. Changes to this policy were previously approved by City Council on March 6, 2014 with Resolution 14-R-05.

On August 7, 2018, a joint meeting was held between the Alvin Sport Associations, the Parks and Recreation Advisory Board, and Parks Department staff, to review and discuss proposed changes to the Athletic Facilities Policy. And on September 4, 2018, the Parks and Recreation Board unanimously approved changes to the Athletic Facilities Policy.

The proposed changes to the current Athletic Facilities Policy upon adoption of Resolution 18-R-34 include:

- Guidance for NON-Alvin Sport Associations to become an Alvin Sport Association (ASA);*
- Requiring all ASAs to conduct background checks on all volunteer or paid employees that interact with youth;*
- Waiving athletic field light usage fee up to eight hours per month per ASA (maximum monthly value \$280); and*
- Annual inspection of concession area operated by ASA (where applicable) by Health Inspector and Fire Marshal.*

Mr. Kelinske reviewed the amendments to the policy.

Council member Reed moved to approve Resolution 18-R-34, revising the Athletic Facilities Policy for use of parks and recreational facilities; establishing an effective date; and setting forth other matters related thereto. Seconded by Council member Starkey; motion to approve carried on a vote of 5 Ayes.

Consider Resolution 18-R-29, designating one representative and one alternate representative to the Houston-Galveston Area Council (H-GAC) General Assembly for 2019.

Council member Adame moved to approve Resolution 18-R-29, appointing Council member Adam Arendell to serve as the representative and Council member Joel Castro as an alternate representative to the Houston-Galveston Area Council (H-GAC) General Assembly for 2019. Seconded by Council member Adame; motion to approve carried on a vote of 5 Ayes.

REPORTS FROM CITY MANAGER

Review preliminary list of items for next Council meeting.

Mr. Junru Roland, City Manager, reviewed the preliminary list for the October 4, 2018 City Council meeting.

ITEMS OF COMMUNITY INTEREST

Hear announcements concerning items of community interest from the Mayor, Council members, and City staff, for which no action will be discussed or taken.

Mrs. Roberts reviewed items of community interest.

Council member Reed encouraged citizens to check their smoke detectors. He thanked the Alvin Police and Fire Department for their quick response to a fire in the upstairs portion of his house.

Council member Castro thanked the Parks Department for obtaining the KaBoom grant for a new playground at Newman Park.

Council member Adame encouraged volunteering and donating needed items to the Alvin Animal Adoption Center

Council member Starkey extended an invitation to the Alvin Masonic Lodge Open House on September 27th, where Jill Craddick Ray of Archangels and Katie Kwirk, will both be honored for their humanitarian work in the community,

EXECUTIVE SESSION

Mayor pro-tem Thompson called for an executive session at 7:32 p.m. in accordance to the following:

Texas Government Code Section 551.074 – to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. City Manager employment contract.
2. Municipal Court Judge employment contract.

RECONVENE TO OPEN SESSION

Take action on Executive Session item if necessary.

Mayor pro tem Thompson reconvened into open session at 8:06 p.m.

Council member Reed moved to approve the Employment Agreement with City Manager Junru Roland. Second my Council member Adame; motion carried with a vote of 5 ayes.

Council member Starkey moved to approve the Employment Agreement with new Municipal Court Presiding Judge, Deanie King, effective October 1, 2018. Second my Council member Adame; motion carried with a vote of 5 ayes.

ADJOURNMENT

Mayor Pro-tem adjourned the meeting at 8:07 p.m.

PASSED and APPROVED this 4th day of October, 2018.

Paul A. Horn, Mayor

ATTEST: _____
Dixie Roberts, City Secretary