

Minutes 7-12-05
CITY COUNCIL MEETING
JULY 12, 2005

Mayor Robert Englund opened the meeting at 7:00 p.m. with Aldermen David Peterson, Donna Clarke, and Ron Cox present. Aldermen Earl Starks and Dick Hulslander were absent.

MINUTES: The Mayor asked if there were any changes or additions to the minutes of the June 8th Council meeting. None were offered. David Peterson moved to accept the minutes, Donna Clarke seconded; all approved.

FINANCIALS: Financials and Claims and Demands – pp. 11-33: David Peterson asked if the surveillance cameras were under the EOC. The Mayor answered that yes, the cameras were under the EOC and that the account was over budget. Ron Cox moved to approve, Donna Clarke seconded; all approved. Pp. 34-42: Ron Cox moved to approve, Donna Clarke seconded; all approved.

AUDIT: Audit Proposal from Ehler & Hettler, LLP: Ron Cox asked for clarification regarding the company doing the audit but not offering an opinion. Robert Englund responded that this was standard procedure for an audit. Ron Cox asked if the auditing company would “flag problems” and the Mayor and David Peterson responded in the affirmative. Donna Clarke moved to approve the audit proposal, Ron Cox seconded; all approved.

DEPOSITORY ACCOUNT BIDS: Melissa introduced the assembled bankers representing First Bank & Trust (Abel Castro and Judy Helm) and Citizens BANK of Slaton, (Blake Boyd and Jim Tidwell). She then reviewed the information contained on page 47 outlining the services and rates offered by the four banks that presented bids to the City. Finally, Melissa clarified a point regarding the interest paid on the checking account; all the banks offer interest checking at 3.25%. The Mayor commented that American State Bank of Slaton and City Bank of Lubbock were automatically eliminated because of their low interest rates. The floor was opened for questions to the bankers by the aldermen.

David Peterson asked Abel Castro of First Bank & Trust if there was a penalty for withdrawing on the agreement before the three year period was ended. Mr. Castro responded, “No, there is no contract and no penalty.” David Peterson: “Is there a required minimum balance of \$50,000?” Mr. Castro: “No, that would not be required of Ransom Canyon.” Donna Clarke asked if there was a guaranteed floor to the interest. Mr. Castro responded in the negative.

Ron Cox asked him what the charge would be for extra courier trips and was told that the fee would be \$25.00 per trip.

Questions were then directed to Mr. Boyd of Citizens BANK of Slaton. Donna Clarke asked if the interest rate was the T-Bill plus 25 basis points. The answer was affirmative; additionally, the guaranteed floor is 3% and the Prime is ½% and there is no fee for online banking. Melissa responded that she had been told in the past that there was only limited online banking available. David Peterson asked what did limited availability mean and Mr. Boyd responded, “I don’t

know.” Mr. Tidwell commented that yes, there was online banking. Melissa asked if it was available for bank drafts and was told by Mr. Boyd that Monty Long was the contact person at the bank regarding this issue. Donna Clarke asked if the interest rate was T-Bill plus 25 and was told, yes, by Mr. Tidwell. Ms. Clarke asked if the Money Market and the T-Bill had the same interest and was told, yes. Donna Clarke then asked Melissa what percentage of the City’s money was in Money Market Accounts versus Checking. Melissa responded with the following breakdown: 50-60k in Checking, 500k in CD’s, 200k in Money Market, and 600k in Interest and Sinking. D. Clarke asked Mr. Boyd if the dollars in long term CD’s were a part of this equation. Mr. Boyd responded, no. Ms. Clarke asked if the bank provided courier service and was told, no, but the bank might consider offering this service. Ron Cox asked Melissa what were the key issues for her in working with a bank. She responded with the following points: (1) a correct calculation of interest rate on the deposits. Last year the auditor caught an error in calculation on the part of Citizens BANK. This error was corrected by the bank. (2) respectful treatment of Ransom Canyon employees that bring deposits to the bank. Mr. Benny Garcia has commented about disrespectful treatment in the past. (3) no charge-back fees for the possibly 12 charged-back checks received in a year. Citizens BANK will no longer charge charge-back fees. (4) convenience.

Mayor Robert Englund directed the Council to choose between Citizens BANK of Slaton and First Bank and Trust. He thought First Bank and Trust was a good choice. David Peterson asked if there was \$1.6 million in the package but not what was put in the bank, was that correct? Melissa responded that there was \$845k in this package. Donna Clarke if the 60k was part of this. Melissa responded that there was 32k in checking, 280k in one account and 613k in another account. David Peterson asked if we could split the money between banks. Melissa responded that it would be very difficult to maintain. It would require twice the work with two banks. Robert Englund directed the Council to prepare to vote. Donna Clarke moved to stay with Citizens BANK because they were 25 points above the T-Bill, had a 3% floor, and were convenient. A point was made by Dr. Cox that Ransom Canyon had a twenty-year relationship with Citizens BANK. The Mayor asked for a second. After a moment’s silence, he asked if further discussion was needed. David Peterson responded with a second. Because of his hesitation, Robert Englund asked again if further discussion was needed. David Peterson withdrew his second. Ron Cox commented that he would feel more comfortable with a private discussion without the bankers present. The Mayor withdrew the motion and tabled the discussion until the Executive Session. Ron Cox commented that there was not enough information to decide now. The Mayor responded o.k. and thanked the bankers for their interest and time to attend the Council meeting. The bankers responded in kind and left.

(Respectfully submitted by Mary Brown. Following minutes submitted by Melissa Verett.)

ROOFING BIDS: The council agreed that the proposals were too numerous and varied to make a decision without further information. Mayor Englund commented that the city engineer should be called in to help solve the question about city hall. No motion was made on any of the bids for any of the buildings at this time. All action on this subject was tabled.

Mayor Englund called for discussion Item 11.B, request for 8 foot fence to be located at 5 Aztec Lane. Mr. Jack Chapman was present to discuss this item. He had provided letters of consent

from his neighbors, and requested a variance from the 6 foot Deed Restriction limit for fence height. The council took a 20 minute break and adjourned to go look at the property in question. They reconvened and David Peterson made a motion to approve the variance and allow the 8 foot fence. The motion died for lack of a second.

MUNICIPAL JUDGE: Mayor Englund announced the resignation of Municipal Judge Candace Fletcher effective July 15, 2005. He commented that the city appreciated all the work done by Judge Fletcher in her term of office since September 1997. The council met Attorney Gary Bellair, who introduced himself and expressed his wish to serve the community as the new municipal judge.

The council adjourned into executive session.

When they reconvened into open meeting, Mayor Englund announced that no action was taken in executive meeting, and no action was to be taken subsequent to any discussion that was held in executive session.

MUNICIPAL JUDGE, RECONSIDERED: The Council was ready to vote on the appointment of Attorney Gary Bellair as the new municipal judge. Donna Clarke made the motion and Ron Cox seconded. All approved. Judge Bellair will be sworn in officially at the August City Council meeting.

DEPOSITORY ACCOUNT, RECONSIDERED: Mayor Englund announced that the council was ready to take action on the depository accounts. He called for a motion, and David Peterson moved to accept Citizens Bank of Slaton as the depository. Ron Cox seconded the motion and all agreed.

Mayor Englund excused attorney John Sims at this point in the meeting. John had a previous engagement for a phone consultation with his son, who has been awarded the Bronze Star for actions in Iraq. Mayor Englund told John congratulations on behalf of his son's award.

BUDGET PRELIMINARY HEARING: Mayor Englund touched briefly on the budget. The tax rate will be increased by 1.5cents, and this is expected to raise \$12,000 in revenue. The Mayor reported that the water sales revenue was down due to various factors, and the council had agreed to change the billing rate system from a flat rate per thousand gallons, to an inverted block system of billing. Mayor Englund suggested that 71 cents per thousand be added to the prorated billing rates for each thousand gallons over 15 thousand. It is estimated that this increase, plus the increase on the base rate to \$25 will increase the water revenue by \$45,000. Linda Williams commented for the public that taxpayers would generally prefer to have an increase in property taxes, since generally, most taxpayers itemize and can deduct property taxes, whereas they water utility expenses are not deductible.

Mary Brown is handling the bidding process for the city health insurance. Mary has interviewed several insurance companies and two have emerged as possibilities, the Scioli Group and Steve Sypt. Three weeks is a short turn around, and the bids will be dependent on the health

statements being taken from all of the employees. Hopefully we will have proposals in hand by the August meeting.

Mayor Englund explained that there will be a new bank account titled "Construction". The account balances in this account will be enough to pay for the construction projects underway or to be scheduled. The budget will be balanced without consideration for these expenses, which should make the operating budget process more streamlined. Ransom Canyon has only one general fund.

OPERATIONS: Harold Needham reported that Cory Needham passed his "C" Wastewater license. He is scheduled for a school in August where he will take his "C" water license. Harold will go to school in Lubbock in October.

The council discussed but took no action on the purchase of a mosquito fogging machine.

The water line is started, and Harold has concerns that the line is 8 feet deep, which puts it beyond the capability of city crews to maintain. It also is not being bedded in sand, and Harold is concerned that caliche and rock and time will cause leaks in the pipe. He asked the engineer and Bernie told him that generally water lines do not have sand bedding. Sewer lines do have sand bedding.

The company that does the street patch work has proposed to treat the South East Lake Shore Drive curve at the Dam. For \$1500 they will coat this area with a coal tar and latex coating that should last 2-3 years. No action was taken on this proposal.

Kim Copeland was not present to report for the library, but the council noted that Kim had fallen down the front steps of City Hall and sustained injury to hands, knees, shins and feet.

POLICE: There were two car accidents last month. 1 vehicle vs. a tree and another vehicle vs. the city backhoe. One theft of property was reported. Dr. Cox agreed that the wildflowers were finished blooming, so Chief Rawls will send out mowing letters. The council reviewed the ordinance that says the city will mow lots and put liens on them to recover the cost. David Peterson commented that the mowing letter needs to offer possible contractors who would be willing to do this mowing for the lot owner who may live out of town. 80 to 90 notices are sent out, and the city is usually left with half that to mow. David stated that the city needs to set up someone to mow, so that the lot owner will know up front what the city's price will be.

FIRE: Chief McPherson reported two fire calls. The tanker worked well to put out a grass fire near City Hall. The tanker was used to wash the spillway at the chapel. Rand said he hosed a full hour before the tank was emptied.

The LaFrance returned home with a broken # 6 discharge. Rand called Doug Bradford who will get it repaired. It can be repaired and there should be no charge.

There was a big turnout for the fish fry, the parade and the BBQ. Saturday Rand will present a demo for the library reading club.

BUILDING CONTROL COMMITTEE: The council reviewed several agendas.

PROPERTY OWNERS ASSOCIATION: The committee for the new party house held a groundbreaking ceremony at the July 4th BBQ.

OPEN FORUM: Nothing

ADJOURN: Adjourned on a motion from David Peterson, second from Donna Clarke.

Melissa Verett
City Administrator