

January 13, 2020

MINUTES OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE
CITY OF OLNEY, TEXAS

6:00 P.M.

The City Council of the City of Olney, Texas, met Monday, January 13, 2020, at 6:00 P.M.

Those present were: Mayor Phil Jeske, Mayor Pro-Tem Rue Rogers, Councilmembers Tommy Kimbro, Chuck Stennett, Harrison Wellman, and Terri Wipperman; Absent: None. Staff Present: City Administrator Neal Welch, City Secretary Tim Houston, Chief of Police Conny Clay, Public Works Director K.C. Blassingame, and City Clerk Lydia Greenway. All agenda items were subject to action.

Mayor Jeske called the meeting to order at 6:00 P.M.

CALL TO ORDER

Mr. Welch gave the invocation.

INVOCATION

Christy Centers appeared before the Council to introduce herself to Council as a candidate for Young County Tax Assessor-Collector. She requested a handicap access sign for the front of the Old City Hall (Sub-Courthouse Annex) that would point those who were disabled in the direction of the accessibility ramp.

CITIZEN COMMENT
PERIOD

Mayor Jeske entertained a motion to adopt the minutes from December 23, 2019 Regular Meeting as written. Councilmember Wipperman made said motion, and Mayor Pro-Tem Rogers seconded. Council voted unanimously to approve the minutes.

CONSIDER APPROVAL
OF MINUTES FROM
PREVIOUS MEETING(S)

Bob Forman with Priority Power Management was on hand to discuss the fluctuations in the electrical rates. The City's current contract was under what was known as a nodal congestion fee which allowed the power companies to charge certain fees during periods of high congestion which may come at any moment, but were seen often in winter or summer months. The rates would change every fifteen minutes. This allowed the power companies to recoup funds to make expenditures to improve infrastructure. With the oil boom in the Permian Basin the power companies found that their nodes and transmission lines were insufficient requiring significant redirect of energy around the state and placing a high burden on the system. The West Texas rate was significantly higher than the rest of the state and in some cases even up to 2,000% or more than other regions of Texas. TXU offered to amend the contract to allow the City to enter into a load zone agreement to hedge on power rates. Essentially, instead of taking the risk of expenses being high throughout portions of the year the City would amend the Contract with TXU to include a load zone fee, which would be \$0.0027 per kilowatt hour (kwh). The current contract had a set rate of \$0.0376 per kwh with the addition of whatever the going price on the trading hub for electricity would be, which could be low or expensive depending on what was going on that day in the Permian Basin. The new price with load zone fee included would come to \$0.0403 per kwh. Mayor Jeske entertained a motion to authorize Mr. Welch as the City Administrator to sign the appropriate documentation for the City to amend the contract and enter the load zone fee rate. Mayor Pro-Tem Rogers made said motion, and Councilmember Wipperman seconded. Council voted unanimously to pass the motion.

CONSIDER TXU
ELECTRICAL RATE
CONTRACT
AMENDMENT TO
REPLACE NODAL
CONGESTION FEE WITH
LOAD ZONE FEE

Mayor Jeske presented Wastewater Superintendent John Schneider with a Certificate of Appreciation from the Texas Water Utility Association for fifteen (15) years of continuous service.

PRESENT TWUA
CERTIFICATE OF
APPRECIATION TO JOHN
SCHNEIDER FOR 15
YEARS OF CONTINUOUS
SERVICE

Mr. Houston stated that the City had received two bids on 106 S Avenue F, the property directly across the alley and behind Allsup's Convenience Store. The first bid was from Richard Reno in the amount of \$1,237.00, and the second bid was from Verma Fobbs in the amount of \$1,125.00. Council briefly discussed the lot and the existence of a nice metal storage shed with a concrete slab base. Council felt that both bids were insufficient for what the lot was worth and inquired if the storage shed could be put to use. Mr. Myers stated we should check zoning before storing items as the property was likely zoned as residential. Mayor Jeske entertained a motion to reject both bids. Council Kimbro made said motion, and Councilmember Stennett seconded. Council voted unanimously to reject the bids.

CONSIDER TAX RESALE
PROPERTY BID(S)

Mr. Houston informed Council that ordinance O1-20 would order the May 2, 2020 election for one (1) mayor and two (2) councilmembers and that after passage Council would need to sign the Order of Election. Mr. Houston explained that election packets would be available online starting on January 14, 2020 and that the filing period would be from January 15, 2020 through February 14, 2020 at 5:00 P.M. Mayor Jeske, Councilmember Wellman, and Councilmember Wipperman would all be up for election. Mayor Jeske entertained a motion to approve Ordinance O1-20 to order the May 2, 2020 general election. Councilmember Stennett made said motion, and Councilmember Wellman seconded. Council voted unanimously to approve Ordinance O1-20 and signed the order of election.

CONSIDER ORDINANCE O1-20 ORDERING THE MAY 2, 2020 GENERAL ELECTION & SIGN ORDER OF ELECTION

Mr. Welch presented pictures of equipment and items that City staff identified as surplus for sale. The pictures included a pickup bed trailer with a camper shell, gas-powered stinger pressure washer, plastic park ride for youth, Polaris Sportsman 700 ATV, police car seat divider (cage), a metal floor pan approximately 10 feet by 16 feet in size, a one-person safety bucket for a bucket truck, and 2 gas-powered exhaust fans. Council discussed the merits of keeping items that looked to be in poor shape or were possibly trash. Mayor Jeske entertained a motion to declare the property as depicted in the agenda packet for this section as surplus and authorize its sale or disposal. Councilmember Kimbro made said motion, and Mayor Pro-Tem Rogers seconded. Council voted unanimously to approve the motion.

CONSIDER DECLARING CERTAIN PROPERTY AS SURPLUS FOR AUCTION

Mr. Welch presented a document to Council that would officially be known as a request for qualifications (RFQ) to allow engineers to submit their qualifications to review the status of the water treatment plant and recommend any improvements. Mr. Welch explained this was necessary as part of his goal to accomplish the 5- and 10-year plans for the City. This would not cost the City money. Council briefly discussed the RFQ. Mayor Jeske entertained a motion to issue the RFQ for Water Treatment Plant Improvements. Councilmember Wellman made said motion, and Councilmember Stennett seconded. Council voted unanimously to approve issuing the RFQ.

CONSIDER ISSUING REQUEST FOR QUALIFICATIONS FOR WATER TREATMENT PLANT IMPROVEMENT

Mr. Houston gave the financial report and confirmed that all utility revenue lines were correct through the end of November. Council reviewed the police, court, and public works reports. Councilmember Wellman and Mayor Jeske discussed the current status of funds and whether the City should restructure or completely pay off certain debts that were high in interest. Mayor Jeske asked that the subject be placed on the next agenda on January 27, 2020, and that documentation on debt payments, early payoff, and any other penalties or issue be put together. Further, an analysis of the monthly revenue inflow and expenditure outflow of the City was requested.

MONTHLY DEPARTMENTAL REPORTS

Mr. Houston announced that he placed the expenditures Council had approved at the December 23, 2019 meeting in the revised working budget. Mayor Jeske inquired if there were further additions. Council decided no further additions were necessary. Mayor Jeske inquired if the City should do two readings and public hearings. Mr. Houston replied that since the budget was changing so significantly that he recommended following that procedure. Mayor Jeske asked that the publications be made. Mr. Houston replied he would do so and tentatively schedule the first hearing and public hearing at the first meeting in February.

BUDGET AMENDMENT WORKSHOP

Mayor Jeske announced that, pursuant to the Texas Open Meetings Act, as recorded in Government Code Section 551.074(a), Council would enter closed executive session at 6:58 PM to deliberate the annual performance evaluation of Neal Welch as City Administrator of the City of Olney. All guests exited Council Chambers. Mr. Welch was asked to leave the Council Chambers unless he wanted the session to be public. Mr. Welch replied that he did not and left the room.

EXECUTIVE SESSION: DELIBERATE ANNUAL PERFORMANCE EVALUATION OF NEAL WELCH AS CITY ADMINISTRATOR OF THE CITY OF OLNEY - PURSUANT TO SECTION 551.074(A)(1) OF THE TEXAS GOVERNMENT CODE

Mr. Houston was asked to leave Council Chambers at 7:23 PM, and he exited the room. Mr. Welch and Mr. Houston were invited back into the closed session at 7:36

Council reconvened in regular open session at 7:52 PM.

Mayor Jeske entertained a motion to approve a four-percent raise in Mr. Welch's annual salary. Mayor Pro-Tem Rogers made said motion, and Councilmember Harrison seconded. Council voted unanimously to approve the raise.

ANY ACTION AS A RESULT OF THE EXECUTIVE SESSION

There being no further business to come before the Council, the Council adjourned by consent ADJOURNMENT
at 7:53 P.M.

ATTEST:

Mayor

City Secretary

Date Approved