

**MINUTES OF THE
REGULAR CITY COUNCIL MEETING
MONDAY, DECEMBER 13, 2010 — 6:00 P.M.
KAUFMAN CITY HALL
209 S. WASHINGTON
KAUFMAN, TEXAS 75142**

CITY COUNCILMEMBERS

MAYOR	WILLIAM FORTNER
MAYOR PRO-TEM	BARRY RATCLIFFE
COUNCILMEMBER	GIL ALTOM JR.
COUNCILMEMBER	JEFF COUNCIL
COUNCILMEMBER	CHARLES GILLENWATER
COUNCILMEMBER	KENNETH MUNDEN
COUNCILMEMBER	LOUIS TIJERINA

INVOCATION: Pastor David Petrash, Our Merciful Savior Episcopal Church

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER: Mayor Fortner called the Meeting to order at 6:03 p.m. Councilmember's present were William Fortner, Jeff Council, Kenneth Munden, Louis Tijerina, Charles Gillenwater, Barry Ratcliffe and Gil Altom Jr... Mayor Fortner declared a quorum present. Also present were City Attorney David Dodd, City Manager Curtis Snow, ACM/City Secretary Jo Ann Talbot, Chief of Police Michael Holder and Administrative Assistant Leslie Malone.

CITIZENS COMMENTS (5 MINUTES) Citizens may address the City Council on any subject but must first complete a Request to Speak Form. Comments are limited to five (5) minutes, but no more than five (5) minutes per individual, and are not transferable. Citizen's comments not to exceed a total of 15 minutes.

Ms. Ann Glasscock, Executive Director of the Kaufman Chamber of Commerce informed the City Council that Star Transit Trolley would begin its fixed routes in December. In August the Committee finalized the fixed stop routes for the bus. The bus is new and is a combination electric and gasoline. It is also handicap accessible. The bus holds 14 passengers and has a booster seat and car seat. The fixed routes will be Monday through Friday from 6:00 a.m. through 6:00 p.m. There are 18 location stops and temporary signs will be erected during the trial period. KART has recently changed there name to Star Transit due to more transportation services outside of Kaufman County.

Mayor Fortner thanked the Chamber and Star Transit for their efforts of making this endeavor become a reality.

CONSENT AGENDA ITEM #1 THROUGH #5

“All matters listed under the Consent Agenda, are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately. For a citizen to request removal of an item, a speaker card must be filled out and submitted to the City Secretary.”

1. Consider approval of the Minutes of the November 8, 2010, Work Session Meeting.
2. Consider approval of the Minutes of the November 22, 2010, Regular City Council Meeting.
3. Consider approval of Resolution R-21-10 of the City Council of the City of Kaufman, Texas, authorizing the City Manager to Execute an Agreement for Professional Services for Food Sanitation Inspections.
4. Consider approval designating the Kaufman Herald as the official newspaper for the City of Kaufman (2011).
5. Consider approval of the Kaufman Economic Development Corporation Year End Report (September 2010).

Councilmember Council moved and seconded by Councilmember Munden to approve the Consent Agenda #1 through #5. Mayor Fortner called for a vote with all voting AYE, the motion carried.

END OF CONSENT AGENDA

PRESENTATIONS

6. Presentation – Debra Farst, State Coordinator, Texas Main Street Program.

Ms. Jill Robinson, Assistant State Coordinator, Texas Main Street Program Community Heritage Development Division, Austin, Texas gave a presentation on a Main Street Program. She introduced four points of approach for the program. They are: the organization of the program, promotions of the program, design and economic restructuring. Main Street is a volunteer-driven program that gives every community member an opportunity to be involved. The program cannot succeed without a committed volunteer effort. Committees are the volunteer backbone of the Main Street organization and are the vehicles through which the board implements the work plan. Projects happen through the committees.

Ms. Robinson reported that it was not just a 3-year Program. Main Street is based on sustainability for success. An overall average length of time in the program is 12 years. The commitment requirements (scoring criteria) are the historic commercial fabric and historic identity, community and private sector support and organizational capacity, public sector support and financial capacity, physical capacity and demonstrated need.

The application is due the last working day of July each year and the award is the following January. The State provides services for networking, 3-day assessment/report from field professionals, strategic planning, onsite board trainings, economic development assistance, design (architectural consultations and conceptual renderings), and Main Street sponsored workshops.

The Texas Main Street Program is a three-year commitment with one full-time person who is employed by the city and reports to the City Manager. The city funds the person's salary and program expenses. The first 3 years the \$300.00 fee is waived and thereafter will be assessed. Ms. Robinson expressed that this was not a grant program. She reported there were grants available for certain types of infrastructure improvements, but this was not a grant.

Sam Lalumia, 905 E. Mulberry, Kaufman, spoke in favor of the Main Street Program for downtown Kaufman.

Ms. Robinson reported that if the City participated in the program, not to expect to see changes right away. The program changes did not happen that fast.

Mayor Fortner thanked Ms. Robinson for her presentation.

DISCUSSION/ACTION ITEMS

7. Consider approval and first reading of Ordinance O-23-10 of the City of Kaufman, Texas, rescinding Ordinance O-17-93 and granting to IESI Solid Waste Disposal a Franchise for the collection and disposal of garbage, trash, brush and bulk in the City of Kaufman, Texas; providing for an amended contract; providing for indemnification by the company; providing for compensation therefore; providing an effective date and a term of said franchise; providing for the repeal of all existing franchise ordinances to IESI Solid Waste Disposal, its predecessors and assigns; providing a severability clause; and finding that the meeting at which this ordinance is passed is open to the public.

City Manager Curtis Snow informed the Council that in order for IESI to assess a franchise fee on their bill to commercial customers, they need

authorization from the City. A franchise fee to be put in place by the City is required to adopt a franchise ordinance. The franchise ordinance is like a rental agreement. It authorizes a company to use public rights of way for conducting their business, such as electric companies, transit services and refuse haulers.

The City has always had a franchise ordinance for refuse hauling until January 2003, when the City entered the original agreement for IESI. For some reason the franchise ordinance was not adopted.

Staff recommends rescinding the existing Ordinance O-17-93 that authorizes the franchise to Community Waste Disposal and adopt the new Ordinance O-23-10 for IESI.

After discussion, Councilmember Altom moved and seconded by Councilmember Gillenwater to approve the first reading of Ordinance O-23-10 of the City of Kaufman, Texas, rescinding Ordinance O-17-93 and granting to IESI Solid Waste Disposal a Franchise for the collection and disposal of garbage, trash, brush and bulk in the City of Kaufman, Texas; providing for an amended contract; providing for indemnification by the company; providing for compensation therefore; providing an effective date and a term of said franchise; providing for the repeal of all existing franchise ordinances to IESI Solid Waste Disposal, its predecessors and assigns; providing a severability clause; and finding that the meeting at which this ordinance is passed is open to the public. Mayor Fortner called for a vote with all voting AYE, the motion carried.

8. Consider approval of the Second Amendment to the Solid Waste Collection and Disposal Contract for residential, commercial and industrial solid waste collection, recyclable materials collection and disposal services within the City of Kaufman, Texas.

City Manager Curtis Snow informed the Council that the city's contract for trash disposal services with IESI expires in February 2011. IESI sent a letter to the City informing them that there would be a 15% increase in next year's rates. After discussion with City Council, we sent notice to IESI six months in advance that the City was not going to let the contract automatically renew.

Staff from Forney, Terrell, Crandall and Kaufman began meeting regularly to develop a common way, using our combined populations, to put us in a more favorable position with a future contract for trash disposal. During this collaboration, Terrell was the first to drop out of the process. IESI offered them renewal of the existing contract with no increase. They also said their City Council preferred IESI. The next to drop out was Crandall. Their existing contract would not expire for another year.

That left Forney and Kaufman to work together. After receiving bids from four different companies, it was clear that Forney was going a different way than Kaufman. IESI was the lowest qualifying bidder for Kaufman and it was clear Forney was not interested.

Kaufman staff started negotiations with IESI after reviewing all bids. IESI quoted the lowest rates for residential service using single axle trucks. IESI show the least cost with the existing customer mix.

Responses to the Request For Proposals were:

1. Republic decided not to bid because they could not meet our specifications. Ironically, all of the specifications they could not meet were not in Kaufman's specifications. They were in Forney's. Apparently they were a little confused.
2. Sanitation Solutions (the company that visited with the City Council) did not submit a proposal to Forney and they did not offer collection with single axle trucks. Their bids for residential services was \$9.50 per month and Brush/Bulk pickup for \$85/hour and \$25/ton.
3. CWD, the last company Kaufman used before IESI, bid \$7.61 for once a week pickup, \$1.29 for Brush/Bulk pick up, \$.42 for using single axle trucks, and an additional \$.78 for the necessary bonding level. This totaled \$10.10 per month for residential services
4. IESI offered a proposal of \$8.75 per month that included brush pick up, single axle trucks, and once a week pick up. After negotiations, IESI adjusted the monthly residential rate to \$8.25 with an annual CPI to be considered upon the first year anniversary.

Because going to once a week pick up may cause some controversy with our residents, we negotiated a special \$3.00 rate for additional polycarts. They will be available to residents that feel they can't get through the week with only one pick up.

In all, the proposed amendments to the existing contract take us to once a week pickup with lighter and smaller vehicles for a lesser cost than the existing rates for residential. IESI has also agreed to provide us with free roll offs for our NEAT program. Less cost and less damage to City streets make this an acceptable contract. Also included in the contract is a Christmas tree mulch program to be used for the citizens, in addition, IESI will contribute to Kaufman County Environmental Coop \$7,500.00 to promote recycling, composting and other environmental projects in the City of Kaufman.

After discussion, Councilmember Tijerina moved and seconded by Councilmember Munden to approve the second amendment with IESI for Solid Waste Collection and Disposal services for residential, commercial and industrial solid waste collection, recyclable materials collection and disposal services within the City of Kaufman, Texas. Mayor Fortner called for a vote with all voting AYE, the motion carried.

9. Consider awarding a proposal for Banking Depository Services for the City of Kaufman, Texas for a three (3) year term and consideration of a renewal for either one (1) two-year term or up to two (2) one-year terms.

City Manager Curtis Snow informed the Council that the City has a requirement to bid out financial services every five years. Kaufman has been with American National Bank longer than that with no evaluation. Staff sent invitations to American National Bank, BBVA Compass Bank, Citizens National Bank, Kaufman County Credit Union, and Wells Fargo Bank. Only American National Bank and Wells Fargo Bank submitted proposals for depository services. After receiving the quotes staff sent the offerings to a professional financial consultant to evaluate. Bottom line is that Wells Fargo is offering to give Kaufman the same services as American National Bank for approximately \$4,000 less each year (based on past daily average balances).

Wells Fargo's offer does not conform to our investment policy in two significant areas. First, they quoted collateralizing our deposits at 100% less FDIC insurance. The City of Kaufman Investment Policy calls for 105% less FDIC.

The second is that they will collateralize our deposits with 30 year investments.

The first point is a deal breaker. Either they would amend their proposal to 105% or we would have to disqualify the bid. The second point was almost a deal breaker. Staff consulted with First Southwest, Kaufman's Financial Advisor and Ben Arvizu, our financial consultant for this proposal. They both felt that 30 year investments are appropriate if they are "Agency pass throughs" (like "Fannie Maes") and not Collateralized Mortgage Obligations (CMO's) with a private label.

Staff negotiated with Wells Fargo and they agreed to our conditions and will stipulate these changes under the exceptions. If Well Fargo is selected as the City's depository, a modification to our investment policy at the next City Council meeting will be necessary to allow for collateralization with thirty year investments.

Mr. Tim Pinon, with Wells Fargo, Dallas, Texas, reported he will be the person that works with the City and he understands that customer service is important for the city. He reported that there would be no set-up cost to start services with Wells Fargo.

Mr. Steve Robertson, with American National Bank, Kaufman, Texas reported that he hated to lose the City's services. He reported that American National Bank gave very good service to the City and they are a Kaufman County owned bank. He thanked the City for there service time with them.

After discussion, Councilmember Altom moved and seconded by Councilmember Tijerina to approve the City's depository banking services to Wells Fargo.

Councilmember Altom moved and seconded by Councilmember Tijerina to amend the first motion to approve the City's depository banking services to Wells Fargo for a three (3) year term and a two (2) one-year term renewal. Mayor Fortner called for a vote with all voting AYE, the motion carried.

APPOINTMENTS

10. Consider the appointment of One (1) Parks and Recreation Board member for an unexpired term through March 2011.

Councilmember Council moved and seconded by Mayor Pro-Tem Ratcliffe to appoint Stan Kapp to the Park and Recreation Board for an unexpired term through March 2011. Mayor Fortner called for a vote with all voting AYE, the motion carried.

ANNOUNCEMENTS FROM CITY MANAGER.

City Manager Curtis Snow informed the Council of Kaufman County Day, to be held on Sunday, March 6th and Monday, March 7th.

Councilmember Munden reported of complaints that the Scott Addition was out of water the day before Thanksgiving from a major water repair.

Councilmember Munden also reported of a water break on Fourth Street causing the water tower to be drained and the whole city was out of water.

There being no further business, the meeting was adjourned at 7:35 p.m.

**WILLIAM FORTNER
MAYOR**

ATTEST:

**JO ANN TALBOT
CITY SECRETARY**