

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
November 16, 2010**

The City Council of the City of Gainesville, Texas met in regular session on November 16, 2010 at 6:30 p.m. with the following persons in attendance:

MEMBERS PRESENT: Mayor Glenn Loch
Council Members Jim Goldsworthy, Carolyn Hendricks, Philip Neelley, Ray Nichols, Vince Rippey, Beverly Snuggs

STAFF PRESENT: Barry Sullivan, City Manager; Kay Lunnon, City Secretary; Bill Harris, City Attorney; Steve Fleming, Police Chief; Kent Sharp, GEDC Executive Director

OTHERS PRESENT: Kit Chase, Delania Trigg, Steve Schmitz, Jason Henry, Dean Smith

CALL TO ORDER

Mayor Loch called the meeting to order at 6:30 p.m. All members of the Council were present.

INVOCATION & PLEDGE OF ALLEGIANCE

Kent Sharp, Executive Director of the Gainesville Economic Development Corporation, gave the invocation. Mayor Loch led the pledge to the flag.

REPORT ON TASWA REFUNDING BOND

Barry Sullivan updated Council regarding the Texoma Area Solid Waste Authority's (TASWA) issuance of refunding bonds. Sullivan said TASWA issued bonds to refund their Series 2004 bonds. They received an interest rate of 4.11 %, with no extension of the original maturity date (February 2029), no extension of debt, and an anticipated average annual savings of \$110,380.

CONSENT AGENDA

Council reviewed the Minutes of the City Council Workshop Meeting of November 2, 2010 and the Minutes of the regular City Council Meeting of November 2, 2010 and approved them as written.

Councilmember Goldsworthy **moved to approve the Consent Agenda**, was seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 11-16-2010 – APPROVE HDR ENGINEERING, INC. FOR DESIGN OF MOSS LAKE WATER TREATMENT PLANT EXPANSION AND NORTHWEST WATER DISTRIBUTION SYSTEM IMPROVEMENTS

A RESOLUTION APPROVING SELECTION OF ENGINEERING SERVICES FOR EXPANSION OF THE MOSS LAKE WATER TREATMENT PLANT AND NORTHWEST WATER DISTRIBUTION SYSTEM IMPROVEMENTS

HDR Engineering, Inc. was selected for design of the expansion of the Moss Lake Water Treatment Plant (WTP) and improvements of the Northwest Water Distribution System. The

City Manager said six engineering firms responded to the Request for Qualifications (RFQ) for engineering services. Staff recommended HDR. The scope of services, which Council will approve by individual task orders, include Preliminary Design – Plans, Specifications, and Construction Contracts; Facilitation of City and Agency Review and Permitting; Final Design – Plans, Specifications, and Construction Contracts and Estimates; Bidding Services; and Construction Contract Administration. The Project will expand the WTP to a design capacity of 2.0 MGD by adding another treatment unit, and construct approximately (3) three miles of waterline to the Northwest Distribution System from the WTP to FM 1201, the Municipal Airport, and Hwy 82, and replace an existing water main on Hwy 82 to Weber Drive. The project is estimated to cost \$7,096,490 and will be paid entirely from EPA State and Tribal Grant (STAG) funds and Water Infrastructure Funding (WIF) from the Texas Water Development Board.

Councilmember Nichols **moved to approve the Resolution**, was seconded by Councilmember Rippy. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

PUBLIC HEARING ON ORDINANCE DESIGNATING REINVESTMENT ZONE NO. 15 WITHIN THE CITY LIMITS OF GAINESVILLE

Mayor Loch announced the Public Hearing and requested the City Manager to provide details regarding the proposed Reinvestment Zone No. 15. Sullivan stated the zone consists of two parcels (parcel one 3.95 acres and parcel two 0.828 acres) located adjacent to the I-35 access road on the East side of I-35 and North of Hwy 82. He said that before a tax abatement can be approved, the City is required to create a reinvestment zone describing the boundaries of the zone, stating the terms for tax abatement within the zone, and designating the zone for commercial-industrial tax abatement.

Mayor Loch opened the Public Hearing at 6:34 p.m. and called for public comment regarding the proposed designation of Reinvestment Zone No. 15.

No person came forward to speak either for or against the reinvestment zone. With no further discussion, Councilmember Snuggs **moved to close the Public Hearing**, and was seconded by Councilmember Goldsworthy. Motion carried by vote of 7 Ayes, 0 Nays. The Public Hearing was closed at 6:35 p.m.

ORDINANCE NO. 1263-11-2010 - DESIGNATING REINVESTMENT ZONE NO. 15 FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT IN THE CITY OF GAINESVILLE

FIRST READING OF AN ORDINANCE MAKING FINDINGS; DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT; ASSIGNING THE NAME “REINVESTMENT ZONE NUMBER 15 (FIFTEEN) OF THE CITY OF GAINESVILLE, TEXAS” TO SAID ZONE; DESCRIBING THE BOUNDARIES THEREOF; PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN SAID ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS; PROVIDING FOR SUSPENSION OF THE CITY CHARTER REQUIREMENT OF READING ON THREE SEPARATE OCCASIONS; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND MAKING AN OPEN MEETING FINDING.

Council approved and adopted designation of Reinvestment Zone No. 15 for commercial-industrial tax abatement within the Gainesville City limits. The specific metes and bounds of the reinvestment zone is described in Exhibit A to the Ordinance and consists of two parcels (parcel

one 3.95 acres and parcel two 0.828 acres) located adjacent to the I-35 access road on the East side of I-35 and North of Hwy 82. Notice of the public hearing prior to adoption of the proposed Reinvestment Zone No. 15 was published and delivered to the governing bodies of each taxing unit within Gainesville city limits.

Councilmember Neelley filed an affidavit with the City Secretary and abstained from voting. Councilmember Goldsworthy **moved to suspend the Charter requirement of three readings** and was seconded by Councilmember Nichols. Motion carried by vote of 6 Ayes, 0 Nays, 1 Abstention (Neelley), and 0 Absent.

Councilmember Goldsworthy **moved to adopt the ordinance.** The motion was seconded by Councilmember Rippy and carried by vote of 6 Ayes, 0 Nays, 1 Abstention (Neelley), and 0 Absent.

RESOLUTION NO. 11-16-2010 A – APPROVE COMMERCIAL-INDUSTRIAL TAX ABATEMENT AGREEMENT WITH SES HOLDINGS, LLC/B-29 PROPERTIES, LLC

A RESOLUTION MAKING FINDINGS AND APPROVING AN AGREEMENT BY AND BETWEEN THE CITY OF GAINESVILLE, TEXAS, AND SES HOLDINGS, LLC/B-29 PROPERTIES, LLC; PROVIDING FOR AD VALOREM TAX ABATEMENT FOR SAID BUSINESS WITHIN REINVESTMENT ZONE NUMBER 15 (FIFTEEN) OF THE CITY OF GAINESVILLE, TEXAS; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT FOR AND ON BEHALF OF THE CITY, FOR THE CONSIDERATION AND ON THE TERMS AND CONDITION STATED THEREIN.

Sullivan detailed the agreement for commercial-industrial tax abatement between the City of Gainesville and SES Holdings, LLC/B-29 Properties, LLC for construction of a corporate headquarters facility to be located within Reinvestment Zone No. 15 in the City of Gainesville. The agreement provides for seventy percent (70%) exemption from City of Gainesville ad valorem taxation for ten (10) years on the improved value of the described premises. The tax abatement will take effect for values of the new facility headquarters and new tangible personal property established on January 1, 2012. Thereafter the 70% abatement will be in effect for ten years through December 31, 2021. The agreement will be forwarded to other taxing units within Gainesville city limits — Cooke County, North Texas Medical Center, and North Central Texas College — for their consideration in becoming a party to the tax abatement agreement.

Councilmember Snuggs **moved to approve the Resolution,** was seconded by Councilmember Nichols. Motion carried by vote of 6 Ayes, 0 Nays, 1 Abstention (Neelley), and 0 Absent.

RESOLUTION NO. 11-16-2010 B– AUTHORIZE CONTRACT WITH KIMLEY-HORN AND ASSOCIATES FOR BID PACKAGE A OF THE STREET AND UTILITY MAINTENANCE PROGRAM

A RESOLUTION AUTHORIZING THE CITY MANAGER, FOR AND ON BEHALF OF THE CITY OF GAINESVILLE, TO EXECUTE AN AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES FOR IMPLEMENTATION OF INDIVIDUAL PROJECT ORDER 2011-1, BID PACKAGE A OF THE STREET AND UTILITY MAINTENANCE PROJECTS FOR THE CITY OF GAINESVILLE.

A contract with Kimley-Horn and Associates was authorized for implementation of Bid Package A of the Street and Utility Maintenance Program (SUMP) for the City of Gainesville for a cost not to exceed \$114,500. Sullivan said Bid Package A is the first of five different engineering packages that will be let for the SUMP projects and include design of street, utilities, and drainage, bidding and construction contract administration. The ten projects in Package A are described as follows: 1) Broadway Street (from Taylor to Schopmeyer) – milling and overlay of

two lane asphalt road; 2) Broadway Street (from Denison to Schopmeyer) – partial reconstruction and partial milling and overlay of two lane asphalt road; 3) Bone Street (from Taylor to Preston) – reconstruction of two lane asphalt road; 4) Bone Street (from Morris to Taylor) – overlay (with curbs) of two lane asphalt road ; 5) Jefferson Street (Broadway to Elm) – reconstruction of two lane asphalt road; 6) Jefferson Street (from Broadway to Elm) – 6” & 8” water line; 7) Broadway Street (from Taylor to Schopmeyer) – 6” sewer line; 8) Broadway Street (from Denison to Schopmeyer) – 12” sewer line; 9) Jefferson Street (Broadway to Elm) – sewer line; 10) Taylor Street Drainage Area. These projects are anticipated to be ready for bidding in March or April 2011. Award of construction contract is anticipated for work to begin in April or May 2011. Bid packages B through F will be presented separately at about three month intervals. All projects will be paid from 2010 Certificates of Obligation funding and are anticipated to be completed by the end of 2013.

Councilmember Goldsworthy **moved to approve the Resolution**, was seconded by Councilmember Neelley. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 11-16-2010 C– APPROVE INTERLOCAL AGREEMENT WITH GISD FOR TEMPORARY SERVICES OF A GAINESVILLE POLICE OFFICER

A RESOLUTION AUTHORIZING THE CITY MANAGER, FOR AND ON BEHALF OF THE CITY OF GAINESVILLE, TO EXECUTE AN INTERLOCAL AGREEMENT WITH GAINESVILLE INDEPENDENT SCHOOL DISTRICT FOR SERVICES OF A GAINESVILLE POLICE OFFICER.

An interlocal agreement with the Gainesville Independent School District was approved for temporary services of a City of Gainesville Police Officer at the Gainesville High School, from November 1, 2010 through December 31, 2010. Sullivan said at the request of the GISD, the City will provide a City Police Officer on an as needed basis to patrol the Gainesville High School campus during school hours. GISD will pay the City for the cost of the Police Officer at an hourly rate of \$31. Sullivan added that the hourly rate is based on the salary of the officer that will be at the school. He said if this contract is extended, the hourly rate will have to increase to cover administration, training, supplies and equipment.

Councilmember Goldsworthy **moved to approve the Resolution**, was seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

DISCUSSION REGARDING PROPOSED NEGOTIATION ON THE ELECTRIC SUPPLY RATE FOR CITY OF GAINESVILLE

The City Manager presented that Council will have an opportunity to consider a proposed re-negotiation of the current five-year electric rate supply contract with CAPP (Cities Aggregated Power Project) and possible extension of the contract for an additional five years. As a party to the CAPP electric energy supply agreement, the City of Gainesville is under a five-year contract through 2013 and will complete its second year at the end of December. Over the previous two years electric prices have declined and CAPP is attempting to renegotiate with the energy suppliers on behalf of the cities the remaining three years of the five-year contract, and also to extend the contract for an additional five years (until 2018). Sullivan reported that if the current contract can be blended with the new lower prices, it could mean an estimated savings of \$252,000 for the City of Gainesville over the next three years.

This item was presented at this time for Council's information and discussion only and will be presented for their consideration and action on a future agenda. At that time the City Council will have an opportunity to consider options either to approve the blend and extend opportunity or remain under the current electric contract.

EXECUTIVE SESSION

The City Council did not convene into executive session.

ADJOURN

With no further business to come before the City Council, the meeting adjourned at 6:57 p.m.

Respectfully submitted,

/S/
Kay Lunnon, City Secretary

/S/
Glenn Loch, Mayor