The City of Liberty

City Council

Regular Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Tuesday, August 8, 2023 | **6:00 PM** | **City Council Chambers**

I. CALL TO ORDER

This meeting was called to order on August 8, 2023 in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 6:02 p.m. by Mayor Carl Pickett.

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor Carl Pickett	X			
Mayor Pro Tem Chipper Smith	X			
Council Member Dennis Beasley	X			
Council Member Libby Simonson	X			
Council Member John Hebert, Jr.	X			
Council Member Tommy Brents	X			
Council Member Ed Seymour	X			

II. INVOCATION

No Invocation was given.

III. PLEDGE OF ALLEGIANCE

The Pledge to the American Flag was led by Public Works Director Damon Jones and the pledge to the Texas Flag was led by Police Chief Gary Martin.

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. No comments were made.

V. PRESENTATIONS / REPORTS

A. City Manager's Report - City Manager Tom Warner - Topics include, Dana Abshier Retirement, Sleep Inn, Elevated Storage Tank Rehabilitation Project, Golf Course, FY 2024 Health Insurance, 2023 Street Rehabilitation Project, and Electrical Projects.

City Manager Tom Warner reported on the following updates:

- Water Leaks around the City
- Dana Abshier Retirement
- Sleep Inn Hotel
- Elevated Storage Tank Rehabilitation Project
- Golf Course
- Employee Health, Dental, Vision and Life Insurance
- 2023 Street Rehabilitation Program
- Capital Improvement Program Electrical Projects

B. Finance Report - Assistant City Manager/CFO Naomi Herrington

Assistant City Manager / CFO Naomi Herrington reported on the City's financials as of June 30, 2022.

C. Department Reports

Monthly reports are submitted by departments and are attached to the agenda for the council to review and to comment on or ask questions that they may have. Tom discussed the street department report with photos of the new plate compactor and the new equipment being used. Also, discussed was the 2023 street contractor working on the new road to the pond in the municipal park to prevent patrons from having to cross the road from splash pad to the restrooms.

D. Sam Rayburn Municipal Power Agency - Mayor Pickett

Mayor Pickett, President of the Sam Rayburn Municipal Power Agency, stated that the meeting for SRMPA is held on the third Tuesday of each month in Livingston. The next meeting is scheduled for Tuesday, August 15, 2023 at 9:00 am in Livingston.

E. Mayor, Council and Staff Comments

Council member Simonson thanked Council Member Brents for his explanation of utility bills on Facebook. City Secretary April Gilliland informed Council that applications for the Library Board are being accepted as 4 of the members' terms expire in September.

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A motion was made by Council Member Beasley to approve all items on the consent agenda and seconded by Council Member Brents. The motion passed 7 to 0 with all present voting yes.

A. Minutes Approval

1. July 11, 2023

2. July 12, 2023

VII. REGULAR AGENDA

A. Regular Session

1. AN ORDINANCE BY THE CITY OF LIBERTY, TEXAS (“CITY”) AUTHORIZING THE SETTLEMENT OF THE PROPOSED FUEL RECONCILIATION OF ENTERGY

TEXAS, INC.; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

Entergy Texas, Inc.'s ("ETI" or "Company") application to reconcile fuel and purchased power costs, which is currently pending at the Public Utility Commission of Texas ("Commission") filed an application with the Public Utility Commission (Commission) requesting to reconcile approximately $1.67 billion in fuel and purchased power expenses incurred between April 1, 2019 and March 31, 2022. After accounting for ETI's fuel factor revenues from the same period, ETI calculated that it had under-recovered its fuel and purchased power expenses during the reconciliation period by $90.3 million. The Company also requested to add $12.8 million to the under-recovery balance pursuant to a Commission rule that allows utilities to retain 10% of the margins earned on their off-system sales. Instead of requesting a surcharge to collect the under- recovery balance and retain off-system sales margins, ETI requested that the total $103.1 million be carried forward as the beginning balance for the subsequent reconciliation period beginning April 1, 2022.

Through the filed testimony of the city's expert consultants, cities raised issues with the way the Company calculated its off-system sales margins and recommended that the Commission deny the Company's request to retain $12.8 million. In the alternative, the cities' expert consultants recommended that the Commission disallow $5.17 million of the requested $12.8 million because the Company included transactions in its margins calculation that should not have been classified as off-system sales. No other party raised any issues with the Company's application.

The Company, the Commission Staff, and other intervening parties have reached a final agreement regarding the Company's fuel reconciliation application. The Company agreed to reduce its requested retained off-system sales margins from $12.8 million to $9.25 million. As a result, the under-recovery balance to be carried over into the next fuel reconciliation period will be approximately $99.6 million instead of $103.1 million. There will be no rate impact on customers at this time as the Company did not request a fuel surcharge in these proceedings.

A motion was made by Council Member Simonson to approve the ordinance authorizing the settlement of the proposed fuel reconciliation of Entergy Texas, Inc. and seconded by Council Member Brents. The motion passed 7 to 0 with all present voting yes.

2. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, RATIFYING LCDC'S GRANT AMENDMENT FOR RKR RESTAURANTS, LLC.

The Liberty Community Development Corporation (LCDC) Board of Directors, on July 18, 2023, voted 5-0 to approve an amended economic development agreement with RKR Restaurants, LLC extending the construction completion timeline until April 30, 2024. RKR Restaurant, LLC will be constructing a new Wendy's on Hwy 90. All other aspects of the agreement remain the same.

A motion was made by Council Member Simonson to approve the resolution ratifying LCDC's grant amendment for RKR Restaurants, LLC. and seconded by Council Member Seymour. The motion passed 6 to 1 with Council Member Hebert voting No.

3. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDING THE BID FOR THE CONSTRUCTION OF FIRE STATION TWO (2).

In October 2021, City Council authorized the City Manager to retain an architect and grant management firm to assist the City in submitting a grant application to the Texas Department of Housing and Community Affairs (TDHCA) for the construction of Fire Station No. 2. The City's grant application was approved in the amount of $5,000,000 in January 2022 and the architect began preparing the plans and specifications to let the contract for bid. On July 25, 2023, five (5) bids were received for the construction of Fire Station No. 2, ranging from the apparent low bid of $6,219,100 to the high bid of $6,598,500. The low bid was submitted by Construction Managers of Southeast Texas (CMOST) with an estimated construction time of 268 days. CMOST is the contractor for the Fire Station No. 1 Renovation Project. When the grant application was submitted, the total estimated cost of the project, including construction and architectural fees, was $7,017,095. The funding for the project included grant funds of $5,000,000 and $2,017,975 from the Cambridge Fund. Based on the bids received, the new total estimated cost is $6,749,024, which is $368,951 less than the $7,017,975 originally budgeted for the project. It is recommended that the $368,951 be set aside as a contingency until the project is completed. Any unused funds, after the project is complete, will be returned to the Cambridge Fund.

A motion was made by Council Member Simonson to approve the resolution awarding the bid for the construction of fire station two to Construction Managers of Southeast Texas (CMOST) and seconded by Council Member Beasley. The motion passed 7 to 0 with all present voting yes.

4. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING INTERLOCAL AGREEMENTS WITH LIBERTY ISD, DAYTON ISD, AND HULL-DAISETTA ISD FOR USE OF THE LIBERTY MUNICIPAL GOLF COURSE.

The Hull-Daisetta (HDISD), Liberty (LISD) and Dayton (DISD) Independent School Districts have approached the City about using the Municipal Golf Course for their respective golf teams. The proposed agreement provides each school district with the ability to use the Liberty Municipal Golf Course. The agreement provides for unlimited range balls and free green fees all day Tuesday – Thursday and after 3pm Friday – Sunday. Additionally, each district would pay the city $1,000.00 for use of the Golf Course over a 12-month period.

A motion was made by Council Member Simonson to approve the resolution approving the interlocal agreements with Liberty, Dayton and Hull-Daisetta ISDs and seconded by Council Member Hebert. The motion passed 7 to 0 with all present voting yes.

B. Work Session

1. Discussion of Potential Funding for T-Hangars at Liberty Municipal Airport.

City Manager Tom Warner discussed with the Council the probable cost of a 10-unit T-Hangar. Construction cost is $2,000,000, with a contingency of $200,000 for a total cost of $2,200,000. Federal funding available for construction projects at the airport from FY22 - FY28 totals $1,339,000. Leaving a funding gap of $861,000. The balance of the project could be funded evenly by the Cambridge Fund and LCDC at a cost of $430,500 for each fund.

C. Executive Session

At 7:02 p.m., Mayor Pickett closed the open meeting and opened the Executive Session as authorized by Title 5, Chapter 551 of the Texas Government Code.

1. Texas Government Code §551.071 - Private Consultation with Attorney
Discussion with attorney regarding contemplated/pending litigation and/or regarding matters protected by attorney/client privilege.

2. Texas Government Code §551.074 - Personnel Matters.
To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

- Liberty County Central Appraisal Board of Directors

D. Reconvene into Regular Session

At 7:32 p.m., Mayor Pickett closed the Executive Session and reconvened the open meeting.

1. Consider and take possible action on legal matters discussed in executive session.

No action was taken.

2. Consider and take possible action on personnel matters discussed in the executive session.

No action was taken.

3. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, NOMINATING A CANDIDATE FOR THE LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS.

A motion was made by Council Member Hebert to approve the resolution nominating Mark Herndon as a candidate for the LCAD Board of Directors and seconded by Council Member Simonson. The motion passed 7 to 0 with all present voting yes.

VIII. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Pickett adjourned the meeting at 7:35 p.m.

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Carl Pickett, Mayor

ATTEST:

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April Gilliland, City Secretary