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, January 14, 2025 | **6:00 PM** | **City Council Chambers**

I. CALL TO ORDER

This meeting was called to order on January 14, 2025 in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 6:00 p.m. by Mayor John Hebert.

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor John Hebert, Jr.	X			
Mayor Pro Tem Libby Simonson	X			
Council Member Dennis Beasley	X			
Council Member Tommy Brents	X			
Council Member Ed Seymour	X			
Council Member Ross Ward	X			
Council Member Debbie Dugger	X			

II. INVOCATION

Invocation was given by Pastor Shannon Bowdoin, Liberty Worship Center.

III. PLEDGE OF ALLEGIANCE

The Pledge to the American Flag was led by Police Chief, Gary Martin and the pledge to the Texas Flag was led by Fire Chief, Brian Hurst.

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 Hebert 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 - Liberty Parks and Recreation Survey, McGuire Road, Street Rehabilitation Program, Water Line Leaks and Electrical Projects.

City Manager Tom Warner reported on the following updates:

- Liberty Municipal Parks and Recreation Survey
- McGuire Road Project
- 2024 Street Rehabilitation Program
- Water Leaks
- 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 November 30, 2024.

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. Items discussed - splash pad, repairs to park restrooms, pot belly pigs and hogs.

D. Sam Rayburn Municipal Power Agency - Mayor Hebert

Mayor Hebert, Board Member 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 last meeting held in December was routine business and the next meeting would be in February.

E. Mayor, Council and Staff Comments

Council Member Brents thanked the Code Enforcement staff for the removal of signs.
City Manager Tom Warner stated that the Fire Department would be having Fire Station 2 Grand Opening on March 19th from 10 -4.

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 Simonson to approve all items on the consent agenda and seconded by Council Member Ward. The motion passed 7 to 0 with all present voting yes.

A. Minutes Approval

1. December 10, 2024

2. December 23, 2024

3. January 6, 2025

VII. REGULAR AGENDA

A. Regular Session

1. 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 A VARIANCE TO INCREASE THE NUMBER OF UNITS AT THE SANDUNE MANUFACTURED HOME PARK FROM SIXTEEN (16) TO NINETEEN (19).

The existing manufactured home park located at 4505 Sandune was recently purchased by Mr. Zolfagheri. The park currently has sixteen (16) units and Mr. Zolfaghari is requesting a variance to add another three (3) units to the park, bringing the total number of units to nineteen (19). The size of the park, in terms of acreage, would not be increased.

This existing manufactured home park is allowed to operate under the Texas Local Government Code, Section 211.018. Continuation of Land Use Regarding Manufactured Home Communities. The statute is provided below:

Sec. 211.018. CONTINUATION OF LAND USE REGARDING MANUFACTURED HOME COMMUNITIES.

(a) In this section, "manufactured home," "manufactured home community," and "manufactured home lot" have the meanings assigned by Section 94.001, Property Code.

(b) The governing body of a municipality may not require a change in the nonconforming use of any manufactured home lot within the boundaries of a manufactured home community if:

1) the nonconforming use of the land constituting the manufactured home community is authorized by law; and
2) at least 50 percent of the manufactured home lots in the manufactured home community are physically occupied by a manufactured home used as a residence.

(c) For purposes of Subsection (b), requiring a change in the nonconforming use includes:

1) requiring the number of manufactured home lots designated as a nonconforming use to be decreased; and
2) declaring that the nonconforming use of the manufactured home lots has been abandoned based on a period of continuous abandonment of use as a manufactured home lot of any lot for less than 12 months.

(d) A manufactured home owner may install a new or used manufactured home, regardless of the size, or any appurtenance on a manufactured home lot located in a manufactured home community for which a nonconforming use is authorized by law, provided that the manufactured home or appurtenance and the installation of the manufactured home or appurtenance comply with:

1) nonconforming land use standards, including standards relating to separation and setback distances and lot size, applicable on the date the nonconforming use of the land constituting the manufactured home community was authorized by law; and
2) all applicable state and federal law and standards in effect on the date of the installation of the manufactured home or appurtenance.

(e) A municipality that prohibits the construction of new single-family residences or the construction of additions to existing single-family residences on a site located in a designated floodplain may, notwithstanding Subsection (b), (c), or (d), prohibit the installation of a manufactured home in a manufactured home community on a manufactured home lot that is located in an equivalently designated floodplain.

The Planning Commission met on December 11, 2024, and voted 4-0 to approve the variance.

A motion was made by Council Member Seymour to approve a resolution approving a variance to increase the number of units at the Sandune Manufactured Home Park from sixteen to nineteen and seconded by Council Member Simonson. 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, AMENDING THE CITY'S INVESTMENT POLICY TO ESTABLISH AN INVESTMENT COMMITTEE CONSISTING OF THE CITY'S CHIEF FINANCIAL OFFICER, THE CITY MANAGER, AND A CITY COUNCILMEMBER.

Per the 2011 Investment Policy, the Investment Committee was to review the list of authorized broker/dealers, not associated with a bank, annually. Since the City no longer uses brokers/dealers that are not associated with a bank, the Investment Committee was removed from the Investment Policy. The current Investment Policy designates the positions of the City Manager and Chief Financial Officer as investment officers who are authorized to execute investment transactions on behalf of the City. City Councilmembers Ross, Dugger and Brents requested that an item be placed on the agenda regarding the establishment of an Investment Committee consisting of the City Manager, Chief Financial Officer and a City Councilmember.

A motion was made by Council Member Brents to approve the resolution amending the City's Investment Policy to establish an investment committee consisting of the City's Chief Financial Officer, the City Manager and a City Council Member and seconded by Council Member Dugger. The motion passed 7 to 0 with all present voting yes.

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, APPOINTING A CITY COUNCILMEMBER TO SERVE ON THE INVESTMENT COMMITTEE PURSUANT TO THE CITY'S INVESTMENT POLICY.

Per the 2011 Investment Policy, the Investment Committee was to review the list of authorized broker/dealers, not associated with a bank, annually. Since the City no longer uses brokers/dealers that are not associated with a bank, the Investment Committee was removed from the Investment Policy. The current Investment Policy designates the positions of the City Manager and Chief Financial Officer as investment officers who are authorized to execute investment transactions on behalf of the City. City Councilmembers Ross, Dugger and Brents requested that an item be placed on the agenda regarding the establishment of an Investment Committee consisting of the City Manager, Chief Financial Officer and a City Councilmember.

A motion was made by Council Member Brents to appoint Council Member Ross Ward to the serve on the investment committee for two years pursuant to the City's investment policy and seconded by Council Member Dugger. 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, AWARDING THE CONTRACT FOR THE FOREST HILLS WATERLINE IMPROVEMENTS PROJECT TO UNDERGROUND CONSTRUCTION SOLUTIONS, LLC.

On December 10, 2024, six bids were received for the Forest Hills Waterline Project. The project includes the installation of 3,530 feet of 6-inch waterline, seven (7) gate valves, five (5) fire hydrants, forty-six (46) service connections, 2,950 square feet of asphalt repair and other project related appurtenances.

The bids ranged from the apparent low bid of $402,605.00 to the high bid of $690,260.00. The apparent low bid was submitted by Underground Construction Solutions, LLC., from Houston, Texas and is deemed to be responsive. Underground Construction Solutions has performed work on a different project, as a subcontractor, and their work was completed in accordance with the plans and specifications. The engineers' estimate of probable cost for this project was $814,900.00.

A motion was made by Council Member Simonson to approve awarding the contract for the Forest Hills Waterline Improvements Project to Underground Construction Solutions, LLC and seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

5. 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, AUTHORIZING THE EXPENDITURE OF CAMBRIDGE FUNDS FOR FIRE STATION NO. 2.

The city received grants from the Texas Department of Housing and Community Affairs (TDHCA) and American Rescue Plan (ARP) Funds for the design and construction of Fire Station No. 2. The total amount of TDHCA and ARP funds received are $5,000,000 and $2,307,878, respectively, for a total amount of $7,307,878. Expenditures are estimated to be $7,828,007.29. A breakdown of anticipated expenditures is provided below:

Architectural Fees	$559,719.00
Grant Management Fees	$600.000.00
Construction	$6,219,100.00
Slope Construction	$26,480.78
Fencing	$3,820.00
AV Technology	$144,481.75
IT/Phones/Door Security	$66,802.46
Office Furniture	$81,632.08
Kitchen	$18,000.05
Work Out Room	$10,873.72
Living Room	$548.00
Patio	$1,408.16
Training Room	$1,644.20
Bay (Ice Machine, PPE Extractor, Gear Dryer, Air Compressor, SCBA Fill Station)	$86,488.66
Dorms	$9,699.89
Laundry Room	$3,030.00
EMS Closet Inventory	$5,174.11
Bathrooms	$2,033.07
Watch Office	$1,824.99
Total	**$7,844,760.72**

Based on current estimated revenues and expenditures, the anticipated deficit is $536,882.72. The use of Cambridge Funds would be used to cover the anticipated deficit.

A motion was made by Council Member Simonson to approve the resolution authorizing the expenditure of Cambridge Funds for Fire Station No. 2 and seconded by Council Member Beasley. The motion passed 7 to 0 with all present voting yes.

6. AN ORDINANCE OF THE CITY COUNCIL OF LIBERTY, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENTERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENTERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2025; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE.

It is once again time to authorize municipal participation in regulatory rate proceedings involving Entergy Texas, Inc. ("ETI" or "Company") before the Public Utility Commission of Texas ("PUCT" or "Commission").

In 2024, the Steering Committee participated in several different types of rate proceedings that ETI initiated with the Commission, summarized below:

- *Application of Entergy Texas, Inc. for Approval of Rate Schedule UODG.* Rate Schedule UODG is a voluntary rate rider and customer agreement for customers to participate in its Power Through program. The Power Through program allows host customers to have distributed generation up to 10 MW on their premises. The distributed generators will supply back-up electric service to the host customers during a grid outage but will otherwise be available to provide capacity and energy benefits to all ETI customers. Schedule UODG will only apply to customers that opt into the Power Through program. We coordinated with Commission Staff and other intervening parties to reach a settlement that clarifies ETI's reporting responsibilities regarding Schedule UODG in future proceedings. The Commission will consider the parties' settlement agreement in early 2025.
- *Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery Factor.* The EECRF rider recovers costs related to ETI's energy efficiency programs. This rider is adjusted annually with the updated rate going into effect on January 1 of each year. The parties reached a settlement agreement that made a small adjustment to the Company's request with no impact on the proposed rates. The Commission approved the settlement agreement on December 12, 2024.
- *Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity to Construct a Portfolio of Dispatchable Generation Resources.* ETI seeks approval to construct the Legend Power Station and the Lone Star Power Station, two new generation facilities with natural gas and hydrogen co-firing optionality. If approved, these plants will add 1207 MW of capacity to serve ETI's customers by mid-2028.
- *Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity to Construct a Portfolio of Renewable Generation Resources.* ETI seeks approval to construct the Segno Solar Facility and the Votaw Solar Facility. If approved, these facilities will add a total of 311 MW of capacity to serve ETI's customers beginning in 2027 and 2028, respectively.
- *Application of Entergy Texas, Inc. for Approval of a Resiliency Plan.* The Company seeks approval of Phase I of its "Texas Future Ready Resiliency Plan," pursuant to Public Utility Regulatory Act § 38.078 (Transmission and Distribution System Resiliency Planning by and Cost Recovery for Electric Utilities), which was signed into law in 2023. ETI's resiliency plan is a comprehensive set of resiliency measures that are intended to improve service reliability for customers and to mitigate system restoration costs after extreme weather events. The projects included in Phase I are expected to cost approximately $335 million, but ETI intends to defer recovery of these costs until a future proceeding. The parties reached a settlement that included additional reporting and record-keeping requirements for ETI. The settlement is currently under consideration by the Commission.
- *Application of Entergy Texas, Inc. for Authority to Reconcile Fuel and Purchased Power Costs.* ETI requests to reconcile the fuel and purchased power expenses it incurred between April 1, 2022, and March 31, 2024. ETI calculates an under-recovery balance of approximately $30 million, which we are still evaluating. A hearing is scheduled for May 14 – 16, 2025.
- *ETI filed applications to recover costs related to its distribution system (Distribution Cost Recovery Factor or "DCRF") and its transmission system (Transmission Cost*

Recovery Factor or “TCRF”). The DCRF applications were uncontested by the Commission Staff and intervening parties and were approved by the Commission. The TCRF is still pending, but as we do not anticipate any major issues, we expect a final order to be issued in early 2025. The DCRF and TCRF are subject to true-up to prevent the Company from over-recovering its expenses.

In 2025, the Steering Committee will continue to participate in the TCRF and fuel reconciliation proceedings and will monitor the proceedings related to new generation facilities. It is anticipated that the Company will file additional TCRF and DCRF applications for interim cost recovery of investments made to its transmission and distribution systems. The Company is also expected to file its annual application to amend its Energy Efficiency Cost Recovery Factor in May 2025.

A motion was made by Council Member Seymour to adopt the ordinance authorizing participation with other Entergy service area cities in matters concerning Entergy Texas Inc. at the Public Utility Commission of Texas in 2025 and seconded by Council Member Beasley. The motion passed 7 to 0 with all present voting yes.

7. AN ORDINANCE APPROVING AMENDMENTS TO THE CITY OF LIBERTY’S FISCAL YEAR 2024–2025 FIRE DEPARTMENT PERSONNEL SCHEDULE AND PROVIDING FOR AN EFFECTIVE DATE.

The Fiscal Year 2024-2025 Fire Department Personnel Schedule includes a Captain position that serves as the City's Fire Marshal. The Fire Marshal is primarily responsible for enforcing the fire code, conducting fire inspections and investigating suspicious fires. The Fire Marshal position is an hourly employee who is eligible for overtime.

The Fire Chief is requesting the Fire Marshal position be changed to a Battalion Chief/Fire Marshal position. This position would be a supervisory position and is considered a salaried position which is not eligible for overtime. The justification for the change is as follows:

- The chain of command does not allow the Fire Marshal position to use shift personnel to the advantage of the department for inspections, since this position does not have supervisory control over other shift Captains as they are the same rank. The Fire Marshal must be capable of assigning inspections times and dates to other personnel that must be followed.
- While the Chief and Assistant Chief are out of town for training, vacations, sick leave, etc., the Battalion Chief provides another ranking person to be in charge during their absence.
- The Battalion Chief will give additional command presence at large emergency scenes.

During Fiscal Year 2024 and the first quarter of Fiscal 2025, the Fire Marshal has earned over $16,000 and $4,400.00 in overtime, respectively. A $3,000.00 annual increase in salary is recommended for the Battalion Chief/Fire Marshal and the Assistant Fire Chief. The increase for the Assistant Fire Chief is to maintain an adequate salary difference between the two positions. Both increases will result in an estimated $10,000.00 reduction in the Fire Department Personnel Budget.

A motion was made by Council Member Brents to adopt the ordinance amending the City of liberty's Fiscal Year 2024-2025 Fire Department Personnel schedule and seconded by Council Member Simonson. The motion passed 7 to 0 with all present voting yes.

B. Work Session

1. Discussion of Proposed 2025 Street Rehabilitation Project

City Manager Tom Warner went over the map on Utility Improvement Areas detailing the streets that needed improvements with Lift Stations, Manholes, Sanitary Sewer Improvements and Water Line Improvements. The conversation then moved to the list of streets that need rehabilitation without utility improvements to see how the Council would want to prioritize the streets that need repairs. The discussion also covered the streets in Raven Hill that are currently private streets and what it would take for the City to take over maintenance of the streets.

C. Executive Session

At 7:46 p.m., Mayor Hebert 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 §551.072 - Deliberation Regarding Real Property
Discussion regarding real property.

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

- City Manager Contract

4. Texas Government Code §551.087 - Deliberation Regarding Economic Development Negotiations.
Discussion regarding economic development negotiations.

D. Reconvene into Regular Session

At 8:20 p.m., Mayor Hebert 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 action on real estate matters discussed in executive session.

No action was taken.

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

- Appointment of New City Manager and Authorizing the Mayor to Execute Employment Contract

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 AN EMPLOYMENT CONTRACT WITH BRYAN KENDRICK TO SERVE AS CITY MANAGER AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME.

A motion was made by Council Member Brents to approve the resolution approving the employment contract with Bryan Kendrick to serve as City manager and authorizing the Mayor to execute the same and seconded by Council Member Ward. The motion passed 7 to 0 with all present voting yes.

4. Consider and take possible action on economic development matters discussed in executive session.

No action was taken.

VIII. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Hebert adjourned the meeting at 8:21 p.m.

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John Hebert, Jr., Mayor

ATTEST:

____
April Gilliland, City Secretary