

**CITY OF HALLSVILLE, TEXAS
CITY COUNCIL MEETING
May 20, 2014 MINUTES**

The City of Hallsville Council meeting convened in regular session at 6 P.M. on Tuesday, May 20, 2014, at City Hall located 115 Main Street.

The following members were present:

Mayor Jerri Medrano
Alderman Eric Anderson
Alderman Gary Nash

Alderman Tim Hatten
Alderman Jake Walker

Member absent:

Mayor Pro Tem James Mitzell

CITY OF HALLSVILLE STAFF PRESENT:

City Secretary Judy Adkisson
Police Chief Paul Montoya
Summer Intern Tylor Sterns

Auditor Faron Cain
Water Superintendent Rickey Dugger

I. CALL TO ORDER

The meeting was called to order by Mayor Jerri Medrano.

The Invocation and the Pledge of Allegiance was led by Mayor Jerri Medrano

II. Administration of Oaths for Newly Elected City Officials

Mayor Jerri Medrano turned the meeting over to City Secretary Judy Adkisson

Judy Adkisson administered the Statement of Officer to Eric Anderson, Tim Hatten and Jake Walker and asked for their signatures. Please Note: Statement of Officer is submitted to the Secretary of State Government Filings Section in Austin, TX.

Judy Adkisson administered the Oath of Office to Eric Anderson, Tim Hatten and Jake Walker and asked for their signatures. Judy Adkisson then asked each member of council to rise and hold up their right hand. She stated "I,(each member repeated), do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Alderman for the City Hallsville of the

State of Texas, and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States and of this State, so help me God.

NOTE: Due to Mr. Mike Hallum's schedule Mayor Jerri Medrano moved forward an Item to be Considered.

Mayor Jerri Medrano stated she would like to turn the meeting over to Mike Hallum with Knuckols, Duvall, Hallum & Co. our City of Hallsville Auditors.

Mike Hallum stated the audit for the year ended September 30, 2013. He then asked council to turn to page 1 of the Financial Statement of the General Fund and brought to their attention "In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of City of Hallsville, Texas, as of September 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States America". Mr. Hallum stated with this report results is the highest level of insurance that the City of Hallsville is in compliance.

Mr. Hallum refers to page 3 and stated internal control over financial reporting during their audit did not identify any deficiencies and with compliance and other matters their audit disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Mr. Hallum refers to page 10 and explains Governmental Activities column is General Fund and Business-Type Activities column is Water Fund with a total of \$9,770,117.

Mr. Hallum refers to page 16 and explains in your General Fund we have taken your original budget that you adopted at the beginning of the year and with looking at revenue we came in \$189,347 better than what was budgeted. Mr. Hallum stated with expenditures \$1,424,213, you spent more than you took in, however there were some capital outlays with buying new police cars and equipment for the police department. The water and sewer fund transferred some money to the General Fund and paid off the loan for the Police Department building. Mr. Hallum stated the Net Change in Fund Balance was \$100,133. Over all the City went over on some line items and under on other line items. He stated some items did not get budgeted and I have cautioned Faron to make sure we do some budget amendments for this next year and limit items not budgeted. He stated Faron responded he provided a financial spread sheet each month to report to council. The financial spread sheet shows overages and shows where the City is year to date. He stated some things you cannot control like street improvements that were capital outlays of \$391,679, most of that was Police Department and street improvements.

Mr. Hallum stated he realizes Council is seeing this Financial Statement for the first time and please call him if you have any questions or concerns.

Mr. Hallum refers to page 42, Water and Sewer Fund. He states Budgeted Operating Revenues came in at \$1,382,363 better than what the City budgeted. Budgeted Operating Expenses came in at \$1,180,136 and this includes depreciation. The depreciation was \$254,094 with water and sewer assets we do depreciate those items under our profit principals. He stated the Budgeted Non-Operating Revenues (Expenses) came out to be \$18,798 and if you add this figure back to the depreciation the City came out very well.

Mayor Jerri Medrano asked Mr. Hallum, "What about when we put in all those new water lines?" Mr. Hallum stated the City borrowed money to do that project and that is a capital outlay. Any amounts will fall under Additional Budgeted Income (Expense) Amounts, separate from your budget.

Mr. Hallum stated overall the City had a good year in the Water and Sewer Fund with transferring the money and paying off the Police Department dept.

Mr. Hallum asked if there were any questions and stated again, if you have any questions or concerns in the future please feel free to call him.

Motion was made by Alderman Eric Anderson and second by Alderman Gary Nash
Motion carried. 4 Ayes; 0 Nays; and 0 Abstentions

III. CONSENT AGENDA

Mayor Jerri Medrano referred to the agenda and asked for approval of the March 18th, 2014 meeting?

Motion was made by Alderman Eric Anderson and second by Alderman Gary Nash.
Motion carried. 4 Ayes; 0 Nays; and 0 Abstentions.

Mayor Jerri Medrano referred to the Monthly Financial Reports for April. Alderman Tim Hatten stated "we almost have it" what we're spending each month and where we're at for the year.

Mayor Jerri Medrano asked, "Are you referring to this report and asked Faron Cain to print the report for next month". There will be two financial reports submitted next month for Council.

Gary Nash asked the question referring to the Payroll Tax Report, "Why the amount lowers by \$201"? Faron Cain responded we recategorized employees that were paid half their salary from the Water and Sewer Fund and half their salary from General Fund. Instead having one employee paid from Water and Sewer Fund and the other employee from General Fund without splitting salaries.

Mayor Jerri Medrano responded the bookkeeping is easier, we have employees working for Water and Sewer that needs to be paid out of that account and employees paid out of General Fund account.

Motion was made by Alderman Jake Walker and second by Tim Hatten.
Motion carried. 4 Ayes; 0 Nays; and 0 Abstentions.

IV. Police Department Summary

Mayor Jerri Medrano turned the Police Department Summary over to Chief Paul Montoya.

Chief Montoya reported there were 140 citations, 127 warnings issued and 267 violations. For the Incident Reports there were 33. There were 17 arrest and 4 accidents.

Chief Montoya reported K-9 Dingo died Wednesday after being diagnosed with a bacterial infection. There was a memorial service for him on Saturday, May 17th.

Chief Montoya reported Click it or Ticket started this past Monday and will carry on for two weeks and another Click it or Ticket will start on the 4th of July for another two weeks.

Chief Montoya reported a Letter of Commendation for Detective Damien Treadwell. Chief stated Detective Treadwell demonstrated professionalism and an extremely high work ethic since he began his position as Detective. He recently solved a case involving the theft of over \$100,000 from an individual. This case took a large amount of effort and time to solve. The case involved many different agencies from the county to federal level, over two different states.

There was much discussion about this case being solved.

Mayor Jerri Medrano referred to the second Item to be Considered.

Consider and act upon the approval of 5 full time officers and 2 reserve officers sanctioned by the City of Hallsville for the Hallsville Police Department.

Chief Montoya explained the approval of 5 full time officers and 2 reserve officers needed to be stated in the minutes to assure if at any time a legal matter came up these officers were legally voted on by the City of Hallsville City Council and approved.

Tim Hatten asked, "When did we hire two reserve officers?"

Mayor Jerri Medrano stated we didn't.

Chief Montoya responded these reserve officers are not paid, they are keeping hours to hold their certifications. If I need to use a reserve officer I can call them to work, to help out, but they are not paid and cannot get paid.

Tim Hatten asked, "We have 5 officers?"

Chief Montoya responded yes.

Motion was made by Alderman Jake Walker and second by Alderman Eric Anderson
Motion carried. 4 Ayes; 0 Nays; and 0 Abstentions.

V. Water Department Summary

Mayor Jerri Medrano turned the Water Department Summary over to Rickey Dugger.

Rickey Dugger reported 1,434 active accounts, 16 turn on – connections, 22 turn off – disconnections and 11 turn offs due to non-payment of water bill

Rickey reported there were 2 contractors in town and three lift station repairs. One of the lift stations to repair was a cost of \$9000.

Mayor Jerri Medrano stated that lift station was 20 years old.

Rickey reported there were 3 sewer line repairs and 10 requests for line locates. He stated there were no trace lines so this takes a long time to locate.

Rickey reported 6 meters installed, 3 in Germantown and 3 in Labrador. There were 4 water leaks and 1 sewer stoppage with 5 ditch repairs after the last big rain.

Eric Anderson asked Rickey for an update on the water pipe project.

Mayor Jerri Medrano responded we should start sending out for bids mid or end of July.

Rickey responded we will locate water lines and survey.

There was a question from one of the Aldermans about how long water will be turned off for citizens. Rickey stated water will not be turned off, if in places we have to turn off water it will be a short time. When the water is run through the new lines the water is tested.

Mayor Jerri Medrano referred to the Permit Report.

There was much discussion on the permit process and builders not getting permits before they start building. Council will discuss this matter in August when permit fees are discussed and reviewed.

Mayor Jerri Medrano stated if there is nothing else.

Tim Hatten stated he had something he wanted to ask about, I have requested twice for something to be added to the agenda.

Mayor Jerri Medrano stated this email.

Tim Hatten asked, "What email?"

Mayor Jerri Medrano stated this is a budgeted item.

Tim Hatten stated this is not a budgeted item.

Tim Hatten stated it's an item I've contested.

Mayor Jerri Medrano asked, "You mean about the electricity?"

Tim Hatten stated yes.

Mayor Jerri Medrano stated we don't have any Christmas ornaments that will fit on them.

Tim Hatten stated this is about ornaments and electricity.

Mayor Jerri Medrano stated we will have to buy new ornaments.

Alderman Eric Anderson stated it doesn't matter, if the item has been requested for the agenda then it needs to be on the agenda.

Mayor Jerri Medrano stated this is not on the agenda to discuss.

Tim Hatten stated I do not want to discuss it; it is not on the agenda. I want it noted in the minutes that I have requested twice to be put on the agenda. I would like it noted to consider and discuss amendment to our budget, Christmas lights and electricity to these poles on the next agenda.

Mayor Jerri Medrano asked, "Did you see the cost?"

Eric Anderson responded I am backing Tim on this issue, it is our decision to make that amendment not yours. Eric stated we cannot act or discuss that unless it makes the agenda. So failure for those items to make the agenda means that we can't as a council do what we're asked to do as elected officials.

Mayor Jerri Medrano responded ok, put on the agenda to talk about budget item for Christmas decorations and electricity.

Tim Hatten stated my problem is I've asked for it twice and it hasn't been put on here. That's an issue, that's something the people want, it's something a lot of people want to continue to have, a lot of people were upset about no lights this past season, it needs to be addressed, we need to talk about it.

Mayor Jerri Medrano responded ok.

Tim Hatten stated there are ways we can do it financially and get it paid for, so we'll talk about it next month.

Mayor Jerri Medrano responded will you have all the information on how to do it for the next packet?

Tim Hatten stated sure.

Mayor Jerri Medrano responded and I will have all the fees.

Tim Hatten stated if you will provide all that for the meeting.

Eric Anderson stated I think it is incumbent for us to provide some information that's for that, there's options in my head that have not been discussed with anyone. There are viable options, its worthy of having that discussion.

Tim Hatten stated he didn't want to say a lot of information you have is incorrect but there is a way we can do this and it not cost so much.

Mayor Jerri Medrano stated for the ornaments.

Tim Hatten stated well the ornaments themselves will cost no matter what, the electricity to the poles, that's not going to be an issue, it's not going to be a problem. He stated yes the ornaments are expensive we know that.

Mayor Jerri Medrano responded we need to know how many.

Tim Hatten stated you know what, if we only get a few maybe half, just put something up and then half the next year. I don't have a problem with that.

Mayor Jerri Medrano responded we have to have a plan. The money will have to come out of the General Budget.

Tim Hatten responded it can be paid for using the money we have.

Mayor Jerri Medrano asked Tim Hatten to put that in writing so she can put that in the packet.

Tim Hatten responded sure.

Mayor Jerri Medrano stated I cannot find anybody to rewire the old ones. I have asked individuals, I have asked companies, they want touch them, they're too old. I have asked local electricians and asked JW if he knew somebody, he said they're so old they wouldn't be liable.

NOTE: The above conversation about Christmas ornaments and electricity to the poles was a total of 5 minutes and 24 seconds.

VI. Citizens to be Heard

There were no comments from citizens.

VII. Adjournment

Alderman Eric Anderson adjourned the council meeting at 7 pm.

CITY OF HALLSVILLE

Signed:

Mayor Jerri Medrano

Attest:

Judy Adkisson, City Secretary

Sworn and subscribed by before me on the 20th day of May, 2014.

Faron Cain
Notary Public, State of Texas