

**CITY OF GONZALES
CITY COUNCIL MEETING
JANUARY 3, 2017 MINUTES**

The City Council convened their regular meeting at 6:00 p.m., January 3, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: Interim City Manager-Charles Windwehen, City Attorney-Jackie Williamson, City Secretary-Kristina Vega

Staff Present: Ralph Camarillo, Gary Shock, Pam Larison, Genora Young, Carla Faltisek, Tim Crow

Mayor Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

No public comments were made.

OTHER BUSINESS-CITY MANAGER REPORT

Item #1, Report on Plumbing Repairs at the Robert Lee Brothers Jr. Memorial Library. Interim City Manager-Charles Windwehen, stated I put this item on the agenda to make the council aware of. Our city crews working at our new library building were aware that we were having sewer back-up problems in the building over time and they started looking at the plumbing and realized it really needed to be replaced. It had old cast iron metal piping all under the library and it needed to be replaced. The director of that department recommended we look at outside contractors to do that. I asked Clarence to come and look at it with me one day because he has experience in these things, and he did that. I authorized staff to solicit proposals from some companies in town. We received two proposals and the best proposal is from Turk & Pavlock for \$10,400.00. I have authorized that work to go forward and I just put it on here to make you aware of it. There's no money in the library fund for this, so we're going to charge this to the waste water department. It is a city owned building. That was the logical place to pay for it, since the library project did not have funds available to fix it. They are going to get started on it right away and it should take them about a week.

Item #2, Report on Contract Renewal for the Victoria College and Report From Victoria College on Parking Lot Improvements. Interim City Manager-Charles Windwehen stated we have invited guests here from Victoria College; Dr. Garrett and Mrs. Mikes. I

put this on the agenda to make council aware that the 5 year contract with the college for the buildings expires in early February of this year. I didn't know if council was aware of that, or if you had any changes, and I wanted the representatives from the college let us know if they had any recommendations for changes. They also have a request for some improvements on a parking lot and a building over there, and they are going to be asking the city and the economic development corporation for some funding and I wanted them to present that to you.

Jackie Mikesch from Victoria College presented a power point presentation of some of the things that have changed this past year at Victoria College.

Larry Garrett expressed that the lease with the city has worked very well for the last 10 years. The Victoria College handles the maintenance and custodial repairs. The lease stipulates that the city will cover repairs of more than \$500 in aggregate but we have staff that handles a lot of those things. The other components of it are on improvements to the building and the things we do to keep adding classes and course. As Jackie mentioned here, we have over the last couple of years had a lot of previous donations, prior to that the city GEDC has provided funding. What we are proposing to do is to move a modular building that Victoria College has in Victoria. We are preparing to make a request to GEDC for \$25k, to cover the moving and the building of the restrooms. Once we have it located there then we are going to be in the situation of needing parking at the college. So he would like to request in whatever mechanism about another 100 spaces there, which would be \$100k-\$150k in asphalt paving. That's essentially what we have on the horizon there. I just want to bring up a few things that the facilities needs out there. The main building has gotten complex, and the occupancies are high and it does not have a fire alarm in it. It was grandfathered in through all of this time but it would really be prudent to go ahead and put in a fire alarm system. I had gotten a quote at \$32k for a fire alarm system in there. That building does have a burglar alarm but the other two buildings; the workforce and instrumentation buildings have quite a lot of valuable equipment in them and they are right there on the highway. They are physically relatively secure, but they don't have any sort of alarm system, so they are somewhat vulnerable, so for about \$8k we could get an alarm system put in it. Then in general, in workforce building, the larger car dealership building and the motor pool building both are in need of some exterior painting. The motor pool building needs a roof replaced because it has leaks in its metal roof. The workforce building is not leaking, it has had some leaks, but they have been repaired, but it would benefit from a coating on the roof, basically to preserve its life. I estimated about \$32k to get all of that done. We will be preparing a proposal for GEDC, for some of these funds, and we will be talking to the city about y'all's pleasure on how you want to proceed with these things.

APPROVAL OF MINUTES

Item #3 & 4, The Mayor asked the Council if they had an opportunity to review the minutes from the December 6, 2016 City Council Meeting and the December 19, 2016 Called City Council Meeting. The Mayor then asked for a motion. Councilman Schurig made a motion to approve the minutes for the December 6, 2016 City Council Meeting,

and the December 19, 2016 Called City Council Meeting. Councilman Schroeder seconded it. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye."

RESOLUTIONS

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-1 Authorizing Edwards Association to Temporarily Close City Streets to Hold the Annual Martin Luther King Jr. Parade on January 16, 2017. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-1 Authorizing Edwards Association to Temporarily Close City Streets to Hold the Annual Martin Luther King Jr. Parade on January 16, 2017. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye."

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-2 Authorizing the City Manager to Execute an Oil & Gas Lease Between the City of Gonzales and Tri-Force Explorer I, LP. The Mayor asked for a motion to postpone this to the next council meeting on January 17, 2017. Councilman Schroeder made a motion to postpone Resolution #2017-2 Authorizing the City Manager to Execute and Oil & Gas Lease Between the City of Gonzales and Tri-Force Explorer I, LP until the next council meeting on January 17, 2017 meeting. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye."

ORDINANCES

Item #7, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-1 Ordering a General Municipal Election to be Held on May 6, 2017, for the Purpose of Electing One City Council Member for Single Member District No. 3 and One City Council Member for Single Member District No. 4. The Mayor asked for a motion. Councilman Schurig made a motion to approve Ordinance #2017-1 Ordering a General Municipal Election to be Held on May 6, 2017, for the Purpose of Electing One City Council Member for Single Member District No. 3 and One City Council Member for Single Member District No. 4. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye."

BOARD/STAFF REPORTS

Item #8, The Mayor stated that the financial report is available for the council to review and asked if there were any questions.

Councilman Hernandez stated he wasn't sure if this pertains to this or not, but we have a gentleman that has tried to turn on his electricity, and I don't know who to address this to. I have tried to go through the procedures and didn't get anywhere so I will just bring

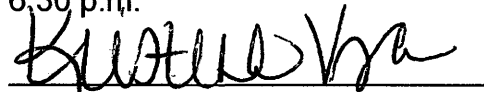
it up here. Mr. Green has tried to turn on electricity at the old KCTI building and evidently there's been some issues that have not been resolved. I was just wondering where we were on that or if it's even going to get that done.

Mayor Kacir stated I don't think we can take that under board and staff reports, but for the record we will make note of Councilman Hernandez's statement.

Councilman Hernandez stated it was just a comment and trying to find out where he's at on it. He's definitely been waiting long enough and I understand the procedure but I believe it's gone over and beyond and maybe staff can look over it a little closer and try to work something out with him.

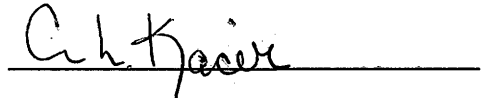
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 6:30 p.m.

A handwritten signature in dark ink, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in dark ink, appearing to read "C. Kacir", written over a horizontal line.

**CITY OF GONZALES
CITY COUNCIL MEETING
JANUARY 17, 2017 MINUTES**

The City Council convened their regular meeting at 5:00 p.m., January 17, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: Interim City Manager-Sean Lally, City Attorney-Jackie Williamson, City Secretary-Kristina Vega and City Advisor-Charles Windwehen

Staff Present: Pam Larison, Roy Staton, Genora Young, Tim Crow, Keith Schauer

Mayor Kacir called the meeting to order and gave the invocation.

EXECUTIVE SESSION

Item #1, At 5:01 p.m. the Mayor asked for a motion to move into Executive Session as Authorized by Government Code 551.071 Consultation with Attorney; Closed Meeting (A) Pending or Contemplated Litigation. Councilman Hernandez made a motion to move into Executive Session. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 6:48 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session as Authorized by Government Code 551.071 Consultation with Attorney; Closed Meeting (A) Pending or Contemplated Litigation. No motion was made.

PUBLIC COMMENTS

Richard R. Shelton, 314 Smith Street, I just moved back here after 37 years and before I get into anything, I just want to say, which directly or indirectly has to do with y'all. I'm excited about seeing all of the revitalization that has gone into the town and I think that's fantastic and I have noticed it since I have been back. There's a lot of people coming in and out of here and I can tell it's from the Chamber of Commerce I'm sure but they are coming here to look at stuff and I think that we were almost off the grid when I moved out of here in 77. People close by knew about the Come & Take It. I guess the main thing I'm here about is I hope we don't do anything to decrease the output as far as the potential output at the dam or look at multiple estimates of what it would cost to get that going all the way.

OTHER BUSINESS-WORKSHOP

Item #3, Financial Condition of the City of Gonzales, the Mayor stated that this information will be composed and released in a Press Release.

Item #4, Hydroelectric Plant Repair Update, City Advisor Charles Windwehen stated he would make a few comments and Keith Schauer with Doucet Engineering will present the bulk of this report to you. This is an update on a project that was started quite a while back, the city engaged Schneider Engineering, a firm with offices in College Station and other cities in Texas to prepare and submit a relicensing application for the hydro dam. We have a deadline of 2020 to have this done. The council had made an earlier decision to pursue recommissioning it. It has some serious problems with it. The study was done in 2012, and since 2012 all that has been done was some preliminary tasks by various engineering firms. Schneider subcontracted with Freese & Nichols for a decommissioning assessment, Halff Associates for an environmental study plan prep, MTR Engineers for surveying and mapping of the site, Bio West for aquatic environmental study plan. They were quarterbacking this project from the time I came in late October, and quite frankly, the city staff, none of the staff really had a good handle on the scope of this project, what was owed, what were the commitments on the contracts. We've acquired all of that and it took quite a bit of effort to get a handle on this project to see how much had been paid to these different sub-contractors. We're paying through Schneider to the subs. See how much work had been done and what was still left. All of this was necessary to get prepared to do the actual work. Soil erosion, building structure, water intake which is part of the water plant, turbines and the mechanical things down there, are all in need of repair. An earlier estimate was, it might be able to be done for \$750k, that's what Schneider gave us. When I got here and looked at it, I talked with staff that is familiar with the dam and I became more and more convinced that \$750k was not adequate. I learned a lot of things, talked with people who are knowledgeable. I brought in someone that used to work at the Guadalupe Blanco River Authority, and engineer with over 30 years of experience. He came down and looked at it with Robert Miller. I brought Doucet Engineering back into the picture to be the new quarter back. He is here and it makes more sense. He is our engineer of record, and the other firm was an electrical engineer, they were not a hydro firm, his isn't either but he knows how to manage projects like this. We are going to have to develop bids, and go out for bids. We do not know yet how many different bids we will have to fix it. We have developed better cost estimates that are more thorough of what really needs to be done. The other estimate was just the absolute minimum to get it recommissioned. The new cost estimate to get it done is \$1.7 million. We have talked about how we plan to pay for it. With that I will turn it over to Keith and let you ask questions after the presentation.

Keith Schauer stated that we got into this in the middle of this, when Charles came onboard and we started looking at everything that Schneider had done. Basically, they had taken through and submitted applications to FERC for relicensing. The Federal Energy Regulatory Commission came down to do an inspection of the dam and sent us a letter, of all of the items that need to be repaired as far licensing process. The letter basically has eight items that need to be addressed. They are the debris on the dam, erosion up the stream and downstream of the dam, structural repairs that need to be done to the structure itself, they are cracks in the building, the brick on this building is actually a structural part of the building, and the foundation and apron in front of the power plant is in very, very bad shape and needs to be repaired. The structural part to repair the building and to remove and replace that slab, we come up with \$250k to do that work. The other thing is the water intake, there are the two pumps on that slab need to be temporarily removed and we will have to put one of them in the existing intake tower. So to remove that, put the slab back and make all of the repairs to the water intake and to provide access and put security fencing around it, we have come up with \$214k to do that work. Then there's the electrical equipment inside the building, there's three turbines, three generators, three gear boxes. One of the gear boxes needs to be completely rebuilt; we're thinking that going to be at least \$50k. The bearings need to be replaced and the shafts need to be retooled. The turbines themselves need to be inspected and refurbished somewhat, so that's another couple hundred thousand dollars, and then there's the electrical equipment in the building itself. That's the unknown; we don't really know what needs to be done to that. We do know that there are going to be some repairs that have to be done, maybe some replacements and there may be some additional electrical that has to be added. The plant running at 65% efficiency with one turbine running and there are ways to add some equipment to that. That could actually bump that efficiency up to 90 to 95%. All in all with all of that plus the engineering costs, that's the \$1.7 million that Charles is talking about. FERC is requiring us to look at the erosion. We are having to develop an operation plan. They want us to look at the property across the river, to make sure there's not a possibility that the river may short cut the dam at some point. We need to be able to keep an eye on that. We need to develop some type of an agreement or something to be able to do some maintenance if we needed to. Those are the things that need to be done, and that was discovered after Schneider started their work, so that was stuff they weren't aware of to begin with. We did a cost benefit analysis, and we tried to make some very conservative assumptions. We just assumed that it was going to produce 850 kilowatt hours half of the time and that's where the 3100 megawatt hours in a year that it produces to start out with. The most it's ever produced is 5k megawatt hours in a year. In our analysis, we only looked at the electrical energy that will be offset from what we purchased from LCRA. If we make the repairs we aim, we generate electricity it helps offset the cost to refurbish everything, it helps offset the

cost for relicensing. Relicensing the facility helps lock in and ensure our water rights because we have a license to produce electricity so we have the amount of cubic feet per second of water coming down the river. The other thing, by doing this we don't really know what the future holds. We know that there's some future technology out there that might actually be able to store the energy it produces. The other thing it will do is it will help shave peaks off of our energy consumptions from LCRA.

Item #5, Electric Rate Review. City Advisor-Charles Windwehen mentioned he wasn't sure how much discussion you want to get in to on that item tonight about the rate increase and the rate review. Mayor Kacir stated that she would like to postpone this item to a future agenda.

ORDINANCES

Item #6, Mayor, Connie Kacir stated she would like to postpone Ordinance #2017-2 Amending the Electric Rates for Small Commercial Accounts.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Opiela made a motion to adjourn and Councilman Hernandez seconded the motion and the meeting adjourned at 7:16 p.m.

Kristina Vega

Kristina Vega, City Secretary

APPROVED:

C. Kacir

**CITY OF GONZALES
CITY COUNCIL MEETING
JANUARY 24, 2017 MINUTES**

The City Council convened the special called council meeting at 6:01 p.m., January 24, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: City Advisor-Charles Windwehen, City Manager- Sean Lally, City Attorney-Jackie Williamson

Staff Present: Pam Larison, Genora Young, Tim Crow, Barbara Friedrich, Angie Kessler

Mayor Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

Marlene Metzler, owner of Running M Bar and Grill, 520 St. Paul Street, Gonzales stated this was really quickly brought to my attention about this, I've been out of town so I don't have much put together but as a concerned business owner I have reviewed this chart you have her, the comparison chart. Looking over this, I would like you to review over this too. I may be looking at it wrong but when you look at the average kilowatt hours commercial you take Gonzales rate, you take Cuero, Yoakum and Weimer's rate sorry, that is fine. When you drop down to the residential and industrial over there under the City of Cuero, City of Weimer and Yoakum, they're all the same thing. To me these numbers don't and that just may be me, I may be looking at it wrong but it doesn't add up. The difference, I don't know but I've heard that the increase is going to be quit a substantial amount and as a business owner it's going to be hard. You know, it's going to affect me a lot and we're already struggling enough as it is and y'all preach shop Gonzales, come to Gonzales, everyone come to Gonzales do things here. Well if a bunch of us businesses start to close down then there will be nothing to come for. And, as far as that goes, let me just, this may not be the proper time to make a statement but when I got back into town rumor has that Marlene's Running M is closing down and that I have a \$16,000 fine. Just to confirm, there is no truth to that whatsoever. Thank y'all.

Richard Green, 611 St. Peter stated Madam Mayor and Councilman, I applaud the person that wrote the press release however I'm reminded of a scripture that I used to read and just paraphrasing it said those who prepare themselves with others are not

wise. I feel like that that's probably the cherry picked as far as comparisons for concern. I need to do the research and make sure that's true. However, I'm just going to say it very short and brief, I won't be uncivil tonight. To me this is the height of being foolish first of all as far as raising the electric rates if it's what I've been told on the commercial is 25%. That means that just on the facilities that I have I'm looking at probably an extra \$1200 a month in electric bills. It takes a lot of revenue in order to make up that \$1200 extra dollars. And what you're going to see is more of what you've seen in the that two or three weeks, four weeks, couple of months you're going to see more businesses closing because the more you, as I've said in the paper, the more you choke the golden goose you're going to be eating goose stew and watching people go to Seguin and San Marcos to shop because you're not going to have anybody here that can supply the needs that they have. You just can't keep doing what you're doing in my opinion. Thank you.

Liz Hernandez stated I reside at 217 Botts but our place of business is at 915 N. Saint Joseph Street that being Lo's Auto Sale, and I'm going to read what I wanted to say to you. My address to you all is concerning your agenda Item #3 to Discuss and Consider amending electrical rates for commercial and industrial consumers. Having said that, I feel that not only am I here representing our own family owned business but speaking as well for other entrepreneurs in our business community. With a matter of discussing and considering my question to you is have you really considered what a negative impact your decision to amend the rates that in reality really interprets as a professional term to mean to increase the current rate. Your discussions may have included that in comparison to other cities, we may not be up to par but really what's up to par and who's up to par? Have you considered that the normal income that was during the latest oil boom is no more? I'm almost certain that my fellow small business owner can attest to the fact that their revenue has substantially decreased and now you're considering raising electrical rates by 25% as recommended by staff. And the staff being who? Thank goodness it's not higher. I realize that it does take revenue to keep our city operational but for how long will this rate hike sustain the city's current financial deficit? Thumb of rules is our household the burden of a debt which we incur ourselves is our responsibility. Maybe you need to discuss and consider the means to keep your expenses in check. My concern is that if you all are paying attention to what's happening in Gonzales by now you'll have noticed the closing of at least three commercial businesses. Wonder if their overhead was already too much to bear. My last and final question to you is: are you willing to drive another nail in the coffin of some other merchant that may already be struggling? I certainly hope not. Thank you for your time, consideration to my comments and most importantly I hope you all remember that you are elected and do so at the pleasure of the citizens of Gonzales. Thank you.

Jimmy Langston stated Gentleman of the Council and Mayor, I don't know if I'm allowed I've never been to a council meeting so I don't know if I'm able to ask you questions. I'm not? In my assumption is that this increase is because of a budget deficit. That's a natural assumption. I own a small business here in town and own small businesses in most of the cities around Gonzales as well. Whenever I have to make up budget deficits I have to make cuts, it's never comfortable, it's never easy, but that's what you guys need to do. Don't do it on the backs of the small businesses. I get the impression that this is nothing but a tax hike, you guys don't have the guts to call it what it is. If you're going to make a tax cut make sure all the people who elected you know it's a tax hike. Don't do it just to the small business. That's all I have to say. I do have one other thing to say and there's another person here who can vouch for it. I recently had a tenant close his doors here in Gonzales because he couldn't afford electricity already; he's in the room.

John McClung stated good afternoon thank you guys for seeing me. I own a small office building down the street; it was full at one time when the boom was here. It's not full now and my electricity is about \$800. My tenants won't even cover that, my property taxes are \$1000 a month, that's the highest. I got a building out in the county that's worth twice as much as that and property taxes are \$10,000. I don't understand what's going on in town. One thing I do understand is back in the boom when everything was going good, revenues were good Gonzales had about 83-84 employees now they got about 134 employees. Last week I was driving down the street and there was a city pickup, had two guys in it. One was driving and the other was going house to house getting out checking meters now how efficient is that? So I mean I think before you guys raise our rates, try and look at your own backyard and see what's going on. I don't understand it, I don't appreciate it and I don't want to pay high rates. If you guys pass this I promise ya I'll sell my building, I'll move my people out of town. That's the way I feel, thank you for your time.

Jenny Nesser stated I'm Jenny Nesser, I'm the general manager at the Dilworth Inn and Suites located at 603 N. Saint Joseph. I'm going to read a letter from our owner on behalf of her Kasia Pabian and she lives in Little Rock, Arkansas. To Whom It May Concern, My name is Kasia Pabian and I am one of the owners of the Dilworth Inn and Suites here in Gonzales, Texas. As many of you know the economy in Gonzales has been depressed since the drop in oil prices. Because we are in the hospitality industry and rely on out of town guests, this is affecting our business greatly causing us financial difficulty. As of recently as of last September 2016 we had to request a reduction in our payments to the EDC Committee so that we can attempt to catch up during this difficult financial time. Our request was passed allowing us to pay interest only for the next twelve months. An increase of 25% I feel is excessive and goes against our efforts of trying to remain solvent in hopes that business will improve. Thank you for your

consideration, Kasia Pabian. I can tell you as the general manager I've been here for eighteen months now and I have lost two pay increases that I've had to take as a general manager. And I'm getting paid nothing compared to where most general managers of hotels would get paid because I'm willing to take that pay cut to make sure that my hotel stays open. So we would appreciate it if you would not vote for the 25% because that will just put another as someone said a nail in our coffin and that will make it harder to stay open. Thank you.

Gasper Lekgega stated good evening everybody. Like Jimmy said earlier I closed the door to the pizzeria just for that purpose to be honest. Just the small pizzeria had \$1000 in electricity. With 50% of the equipment imagine what we would have here. 25% to raise, a lot of businesses are closing, the business is not where it was two years ago. A lot of businesses will close down, I hear a lot of rumors. So, I don't know who is raising it but we're not making money to be honest. Everybody is struggling. Everybody. One person can lie here who is making money. Everybody is struggling just to keep the doors open. I had to talk to Jimmy just to close the doors for that purpose. It was not like two years ago, oil people everywhere. Today you barely see people. So you have to see consideration of 25%, if it's 2.5% I understand. 25, how about next year? 50%? How much is it going to be? So I'm gonna have to leave town, where is the guy? I'm gonna go after him, where's he going. I'll have to go to next town. I have for myself three businesses, I had to close one just for that. I mean buildings are so high. And nobody stands up for us. We have gas there too. If I spend \$1000 gas I pay \$700 charge. Nobody stands up for us business. I was in Seguin for four years we had Center Point Energy, never heard daily recharge. Here in town we pay 60% daily charge. Anybody have business with gas? So who's gonna stand up for us? Hopefully you Mayor. It's too much for me to be honest. We lost business, I saw Templin Saloon closed down. I saw a lot of messages so it closed down. They had the same purpose probably. It's a lot of money 25%, for me it's a lot. I have two businesses I have one I close it down, I don't know what's next. Thank you.

RESOLUTIONS

Item #1, Mayor, Connie Kacir stated we will move to a future agenda as the oil and gas lease is still in review by the proprietor and his attorney.

Item #2, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-4 Authorizing Publication of Notice to Issue Certificates of Obligation to Finance Repairs and Improvements to the City's Hydro Electric Plant and Dam, Including the City's Water Intake System. The Mayor asked Sean if he had any comments before we offer a motion. City Manager Sean Lally stated council as you are aware of we are talking about a 1.7 million dollar obligation that we are going to float to fund the repairs and

water intake of the dam as it currently sits. During our discussions and prior to knowing the possibility there is an option that we may be able to raise the height of the dam to increase our revenue and increase the production of the turbines that are in place. We do not have a set cost on that yet. Our financial advisor Bob told me that we have a notice of certificate not to exceed number that we can use and it will give us until the last week of February to get bids on what it will cost to actually elevate the height of the dam. My advice at this time is to consider that because if according to everything that we have researched and studied it will increase the production significantly and the revenue stream that the dam provides. We do not know that number at this time. It would probably be prudent to entertain 1.7 million; we know that number but to allow allowance for something extra to raise the height of the dam. I don't have that price but we will know that through the engineer hopefully by the end of February. That's my recommendation to ascertain to think about that. Mayor Kacir stated as far as the up to exceed language dollar amount would you feel we would be within the realm of. City Manager Lally stated I don't have a good estimate on that at this time Mayor because we simply don't know how much it will cost to put concrete twenty four inches high across the dam front. The number of 250,000 to 500,000 has been floating around but I would just be giving a guestimate at this point with that number. It is something that we should consider because it's very critical to the operation of that dam. We can make it more efficient make it produce more revenue that's something we should consider if we're going to float this obligation. We're incurring the fees now for the set amount and we don't want to go through that process again. Councilman Hernandez asked if we should wait, I would hate to vote on something with an estimate of the figure. Mayor Kacir asked if Bob Henderson would like to address the Council and as far as closing costs to let's just say 400,000 if we were looking to add additional. Bob Henderson stated it really wouldn't be cost effective to try and do two different transactions. 1.7 million now and then 400,000 later wouldn't be cost effective. The most important thing to understand under the State Constitution under the Certificate of Obligation act of 1979 what you're doing tonight is giving a notice of intent to issue an amount not to exceed. That's the blank we have to fill in. It does not obligate the city to issue that amount only up to that amount. The sale will come back on March the 7th so if we can have a number by the 28th the council will be able to make a firm decision based on real numbers assuming we can get those numbers by the 28th. We've obviously heard a lot of comments tonight about electric rates. We heard a presentation last week about the increase efficiencies of turbines if we raise that pad. Obviously the more efficient the turbines are the less pressure there are on rates. Mr. Hernandez it's up to the Council as a whole if you want to postpone giving notice of intent. My only observation would be you're not committing to anything tonight. You're just starting the notice process and the final determination will not take place until March 7th at which time the council will vote with firm numbers. The Mayor asked for a motion. Councilman Schurig made a motion

to approve Resolution # 2017-4. Councilman Schroeder seconded the motion. Mayor Kacir clarified that the motion states to issue certificates of obligation up to 1.7 million dollars. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, Hernandez, Opiela and the Mayor all voted "aye".

ORDINANCES

Item #3, Mayor, Connie Kacir called on Charles Windwehen to review the state of financial condition prior to calling the next agenda item for electric rates. Charles Windwehen stated when I was brought in as an interim it was the last week in October. I got here my first day and the Mayor asked me on behalf of the council asked me to look at several issues. I was charged with one, probably the most important which was to analyze the financial status of the city and give some recommendations. I'm going to talk about the current financial condition of the city. How we got there, how did we get ourselves in this situation and some recommendations on how to deal with it in the short term and long term. Will talk about electric rate increase and how it's tied in with the overall finances of the city. We didn't get here overnight. It's been a number of years that the city has engaged in some poor budgeting practices and poor financial management practices. You actually have some pretty good financial management and budgetary policies in the back of the budget that's approved every year. They just haven't been followed. The short term problems right now are cash flow problems in the general fund primarily during the several months in the year in the summer. It's because the fund balance has been pulled down so low in the general fund you're having actual cash flow problems. It's a pretty severe problem. There are a number of things that have happened; the sales tax revenues may not meet budget estimates this year. They're much lower this year than the prior year. Motel tax after three months is down 21% from the year before. The year before is down \$400,000 from the year before that. So that's a significant impact on the programs that are funded from the Hotel/Motel Tax. You've been deferring maintenance on your infrastructure and equipment for years. You've been behind for years, when I was here six years ago in an interim position you were behind. When you're behind on your maintenance and infrastructure your water lines, your plants, your streets, you have to run twice as fast to try to catch up if you want to try to catch up. Longer term the city has a structural revenue expenditure imbalance in the general fund. You don't raise enough money in the general fund to pay for general fund programs. The last several years you've been increasing the amount of transfers from the water fund, wastewater fund and the electric utility fund. It's quit accepted practice in Texas and probably other states to make profits from your utilities. You can transfer some of those profits to the general fund. Many cities do it. We've done it to a greater degree than most cities and I think we've gotten out of bounds to the degree that is not sustainable financially. The last two years we've been transferring 2 million dollars out of the electric fund to the general fund. The electric fund only produces net revenue of 1.1 million a year. Pull that fund balance down; the general

fund balance is down so it's unsustainable. It's probably not in conformance with general guidelines in the state with how much you should transfer. The revenues from the utilities should be used first and primarily to pay for the operating and maintenance cost for that utility. We have not done a really good job of keeping up with our maintenance on our utilities. Then it should be used as a second call on the earnings to pay for any long term debt related to that utility. Third, it should have a contingency fund funded and then there are some recognized standards for making reasonable contributions to the general fund such as a payment in lieu of a franchise fees, payment in lieu of property tax, payment for shared overhead for administrative cost. All of this can happen if you have a policy that shows a reasonable reason for how much you're transferring. We don't have that policy, we've written one for you and will be put in front of the council soon. You'll be able to follow that policy and be in conformance. We're going to have to reduce the amount of money we're transferring from all of the utilities and increase general fund revenues and/or decrease general fund expenses. That's starting right now in this year and will have to continue the next two or three years. It's going to be difficult to balance the budget. The city has an extremely low property tax rate. Right now it's one of the very lowest in Texas \$0.1769. The average in Texas is \$0.54. You also have lower than average property value on homes. It's not reasonable to think that you can fund your full bundle of services in all departments you're trying to fund with the next to the lowest tax rate in Texas and lower tax value. It's hard to fix when you get that far behind. You have some positives; you have a low property tax rate, practically no long term debt. You had a philosophy for many years of not issuing debt to pay with internally generated funds. Having an electric utility is very positive. You can make profit there. It's okay to make that profit. Run the city like a business. You can make money in utilities, water and wastewater, solid waste you can make money. We're trying to get you on the path of running it like a business. Mr. Windwehen went over grades of our assets to give an idea of the state of our hard assets. The other reasons for the current situation are that you didn't adhere to existing budgetary and financial management policies. The budgets that were presented to you were convenient and easy. You were forced numbers to balance using unrealistically optimistic budget revenue and expenditure numbers in the budget. We had a slowdown in the economy. We had unrealistic optimistic numbers; the budget wasn't adjusted as the economy fell down. There was a lack of long term financial planning and capital project planning. A lack of clear communication to the council from the Manager in the budget because it didn't show you what the fund balance was. You used too much reliance on using revenues of the Water, Wastewater, and Electric Fund revenues to pay for general governmental services. You didn't leave an appropriate amount of revenues in the Utility Funds to properly fund maintenance/operations/capital infrastructure costs. There was an emphasis of pushing tax rates to unreasonably low levels for political reasons. You added programs with recurring costs such as in added

personnel and Park and Recreational programs without identifying and generating revenues to pay for them outside of the utility fund revenues. The park south of town is getting close to paying for itself. I think it's within \$100,000-\$150,000 of paying for itself. For the first ten years the city's general fund had to transfer 1.1 million dollars over to support it because it was losing money. That's where some of the general fund fund balance went. Recommendations to improve the financial status: You need to develop and approve a policy that sets reasonable standards for making transfers from Utility Funds to the General Fund; Implement that policy over the next several years. You need to adhere to existing financial management policies in the budget document. We're going to have to have a freeze on hiring, defer and not do three street projects this year. That's \$250,000 to keep the general fund in a positive position this year. You'll have to communicate with the public. Build back up fund balances to healthy levels. Implement long term financial planning and long term capital infrastructure planning. You'll have to consider raising commercial and industrial electric rates. You need to include more information in the budget and control spending. Look at priorities for spending in the next year. Reasons why we should raise electric rates, the council indicated they wanted to fix this problem. The longer it is put off, longer it will take to fix waiting a few extra months will not make it easier. Longer it is put off, the farther the City falls behind. There is no good time to raise rates. Apparently there hasn't been a good time in 9 years. Doing the right thing is not always easy; making good decisions for the future of the City is what you are supposed to do. The proposed rate increase would generate approximately \$436,000 per year. You can always find reasons not to do something if you are looking for them. Councilman Schurig asked if we delay this from now until May, the attitude of the people is not going to change. We'll be losing how much? Councilman Schurig stated I would like to offer something to the city. As a councilman I would like to not accept my payment or insurance. It's a start; at least it's showing that I want to work for the city. I'll give up my benefits. Mayor Kacir stated that that's not on the agenda for an action item but I echo that. I am committed to the city and I don't need the stipend that the city pays me for this position or the insurance. I can pay for my own. Councilman Schurig asked if rates are reviewed yearly, Mr. Windwehen stated with they should be but that hasn't been done here. That would be a recommended practice to see if they're appropriate. Councilman Opiela stated I have been on council for five years this May and am up for re-election. The first four years I was an employee with the Gonzales Independent School District and could not receive any compensation from the city so basically I've just been drawing in for a short period of time. I'll do the same as some of the others that want to do it and not receive anything. I didn't get on the council for the compensation. I got on because I wanted to do what's best for the City of Gonzales. Councilman Hernandez stated well if we're talking about that I'd be willing to do the same thing but that's not what we're discussing right now. We're discussing electric rates. If we all want to give up our pay that's fine but

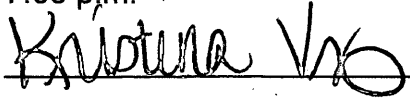
this is the issue we have right now. Councilman Schroeder stated I don't know how much y'all make but as upside down as we seem to be our salaries aren't going to bail us out of this. Everyone can pat themselves on the back now. It just seems like you're saying to us, well you spend more than you had coming in so now you have to find a way to fix it. What you're recommending is that we put it to everyone out there that's running businesses because they're the rich entrepreneurs and they can afford it. Mr. Windwehen stated what I said was the city is going to have to look at their expenses and you'll have to raise some revenues too. Councilman Schroeder stated I'm looking at some of the salaries that some of our road workers make, our electric guys and I also... Mayor Kacir stated I'm going to have stop, we can't talk about salaries on this agenda item. Councilman Schroeder stated if you burden the business owners and they shut the doors, how much revenue did the city pull off of them then? Councilman Schurig stated eleven years our tax rate was \$0.28, its \$0.17 right now. Mayor Kacir stated the lowest in the state. With that I'm going to get back on the agenda. I'm going to ask Sean if he has any comments and I will call for a motion and then we can certainly discuss at that time. City Manager Sean Lally stated Charles presentation was blunt and truthful in every sense of the word in everything I've ever been taught, my experience. Some of the things he said that are most important is policy. The policies that we follow in this organization are what are going guide this ship forward. We are working on a policy that we are going to address these issues of using fund balance to do things that a fund balance shouldn't be doing. We should not be balancing our general fund with the enterprise fund of our utilities. That's just common sense. Charles spoke of transparency; we need to be transparent with you the public. That is absolutely something as the new City Manager I hold very highly. I think that you need to know our financial situation and I think Charles did an excellent job tonight explaining to you all that we really have some significant deficiencies at this point. The last thing that Charles said that I want to reiterate is building that fund balance. Cutting expenses is one way to do that, that something that I was charged with when I was hired. We also have to be realistic with what we charge for similar services to other cities in our region. That's something you as council have to address. One thing we all have to remember, businesses produce something they have a service that provides revenue. Government does not; we do not have factors of production. We simply provide services with your hard earned tax dollars. It's going to take a lot of hard work. Y'all have some hard decisions to make. I do know without making those decisions we absolutely don't go forward. The Mayor asked for a motion on agenda item #3 Discuss and Consider Ordinance # 2017-3 Amending the Electric Rates for Commercial and Industrial Accounts. Councilman Schurig made a motion to approve Ordinance # 2017-3 at 10% industrial, 15% commercial. Councilman Opiela seconded the motion but asked for more discussion. Mayor Kacir called for discussion. Councilman Opiela stated I spoke with a lot of people today. I had the 15% in my mind. Asked what it would cost a

customer who had a \$340 bill per month and then if we went up. Mayor Kacir stated that on commercial we currently have a rate of 0.0678 per kilowatt hour that would raise it to 0.0779. Councilman Opiela stated when you look at the scale that we got from the other cities we're up there close to them and I thought maybe a 5% increase on that. Councilman Hernandez stated if I had to support an increase, I would support 5%. I wouldn't do 15. Mayor Kacir stated the commercial rates Gonzales is currently about 40% low compared to other cities in our peer group. Councilman Schroeder stated but not in the residential so we're making it up on the residents. Mayor Kacir stated actually we're in line with residential. Councilman Schroeder stated actually Weimer, Flatonia, Waelder and Moulton, those are the only ones higher than us in this group. Mayor Kacir stated yes so that puts us in the middle. Our property taxes are way below all of those cities. Mr. Windwehen stated that doesn't drive the decision that just helps you look at it. What drives the decision is what you need in this city. This is information to see if you're way out of bounds. You're in bounds on all of them but what you need is the rate for this city at this time. Councilman Hernandez stated if we've been robbing Peter to pay Paul here that tells me that the utilities have been very successful in making money. Mr. Windwehen stated yes but you've also done a pretty good job of keeping up your lines and poles but not the dam. You've not done a good job on your water and sewer but you've been making some profit. Councilman Hernandez stated the general fund is the problem but instead of finding ways to cut the expenses on the checkbook we're looking at other avenues to grow the electric rate instead of concentrating on the general fund. Mr. Windwehen stated your point is valid to a degree. It would be a foolish task to tell him to cut it tonight immediately. He needs to do it the rest of this year and as you develop a budget for next year. He's going to start that in February on next year's budget. This is something you can do now to get immediate results. Councilman Hernandez stated with a smaller increase would they not gradually come back up as well? Councilman Schurig stated I will resend my motion. Mayor Kacir stated we need to go ahead and take action; we have a motion and a second on the floor. Parliamentary procedure would be for the record; we have a motion on the table, I have a second. We had discussion; I had a call to resend the motion. I need to go ahead and take action on the motion that's on the floor. The motion can pass or it can fail due to the majority of the vote. After that I can call for another motion if someone wanted to move at a different rate, if not it would die for a lack of motion. Jackie for clarification am I correct? Jackie Williamson stated I'm not sure. Mayor Kacir stated we have a motion and a second. I'll call for the vote. Councilman Opiela, Schroeder and Hernandez voted "nay". Councilman Schurig and Mayor Kacir voted "aye". The motion fails due to lack of majority. Do I have a motion for a different amount in regards to the increase? Councilman Hernandez made a motion to entertain 2.5 % increase in the commercial rate and the same for industrial. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez and Schroeder all voted

"aye". Councilman Schurig and Mayor Kacir voted "nay". We have a majority, motion carries. Rates raise 2.5% in each category.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Opiela seconded the motion and the meeting adjourned at 7:05 p.m.

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Kristina Vega, City Secretary

APPROVED:

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**CITY OF GONZALES
CITY COUNCIL MEETING
JANUARY 30, 2017 MINUTES**

The City Council convened their regular meeting at 7:00 p.m., January 30, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: Interim City Manager-Sean Lally, City Attorney-Jackie Williamson, City Secretary-Kristina Vega

Staff Present: None

Mayor Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

James Ryan, stated I sent each of you and email this week that talked about our downtown district, about the increase in taxes in that district. I serve on both the GEDC and I also serve on the Appraisal Review Board, which kind of gives you a unique perspective on things. This last round we had several of our businesses that came in because revenues are down and hey protested their taxes. Some of those were vert heart felt conversations that people had vested their savings. If you read that between 2013 to 2016 the people in downtown district have had their taxes go up 57%. That's a pretty good jolt and you can see why they were doing that. Their valuations have gone up about 16% and most of that was because comptroller told the Chief Appraiser that better get in and review those properties because they hadn't been reviewed in quite a while. If you swap over to my role in GEDC, we made a lot of progress in the downtown area and that was one of our charges when I first came on the board, was to try to improve the situation downtown. Speaking for those folks and for the community, I think you did the right thing when you did not raise the electric rates 25% because that to me is avoiding the issue. On the issue that's on the agenda tonight, a functioning EDC is more important than ever, but there is a difference between hearing everybody out. On the most recent vote regarding the skate park, I gave my piece, he gave his piece, I was voted down on the first vote that we took and that was the way that it needed to be. As you look at it, make sure, Dennis has some constituents and make sure those constituents still have a voice.

Dennis Nesser, 1023 St. Michael, here to say that I'm here is a little bit of a surprise because I thought we had taken care of everything back in June but I want to defend myself to some of the accusations that have been brought. I haven't spoken with Mrs. Genora Young since May of last year when I was asked by the City Manager to go through him for any direct contact. Prior to that she stood me up three times for meetings and the reason for the meeting with the City Manager was, I finally said I needed a meeting and I needed a firm date. There was no notice for any of the three times that she stood me up. As a member of the board, I have a right to express my concerns given to me by my constituents. The ones in that email are one of three complaints received in a single week. Kasia Pabian was one of three people. As I was at Templin's Saloon, Mr. James introduced me to the owner of the rum distillery, as funny as it may sound I cannot remember his name either, but he introduced me and the conversation was, I can't get a phone call back from Genora to get this deal done, I have cash in hand, I'm about to buy the old church that was next door to the Templin. I had a third person that asked me not to identify them, say the same thing that they had been stood up several times for meetings. I asked properly the Chairman of the Board to please look into these allegations as I should have, as you would if someone came to you about an employee of the city over, over and over again. I also asked them to look into the Jessie Holt issue. I don't know what happened, I don't have a clue what happened, but it made rumors back to me that there was something that happened between Mrs. Young and Ms. Holt. I'm here in the city council and I ask for some clarifications as to what happened and were we in the wrong. I have never asked for Mrs. Young's resignation, I have never asked any of these board members that are out here tonight to support me in trying to get her fired or even mentioned it to them. It's not what I've asked. I've asked that Mrs. Young does her job, she replies to all constituents that gets to her. That she takes care of the business that's at hand. She didn't even show up to my first committee meeting, she sent somebody else instead. All this comes from her putting her personal phone number in a GEDC iPad. That is owned by the city.

Mayor Kacir stated Mr. Nesser you are welcome to make public comments, but in order to uphold decorum I cannot allow defamatory comments about an employee.

Dennis Nesser stated I am trying to get to the fact that her putting that phone number is what caused this whole incident to start. I never put her phone number in an iPad. That never happened. Her following paranoia when I have no access to any city documents since June 2016 has no basis. I haven't been in the back. I have not passed the front office for any reason what so ever since that time and its nothing short of blackmail to the council.

Mayor Kacir stated I am going to interrupt you again. I cannot have defamatory comments regarding any personnel.

Dennis Nesser stated my actions on the GEDC board have caused many discussions that Mr. Ryan mentioned to include not allowing a deficit for the last two years that have been brought to us from the last two EDC presidents. Last year we were brought \$120k deficit that because of me and others came on to be a positive thing. Several years ago I was the only vote on GEDC to vote against 120 acre purchase. The only vote. I have consistently updated our Chairman and Mrs. Young of businesses coming and going, when it should be the opposite. They should be informing the rest of the board. I know that I cause plenty of discussion. I don't agree with everything that happens, and I say so, but part of the reason that you have that on a board like this is to make sure that we get everything right the first time. I have done what I was asked to do. I have been a conscientious person when it comes to the city's money and to the projects that we support, and I ask that you take that into consideration in tonight's vote.

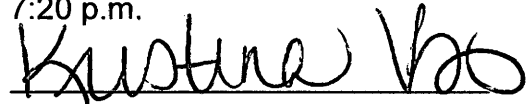
OTHER BUSINESS

Item #1, Mayor Kacir read Discuss and Consider Removal of Dennis Nesser from the Gonzales Economic Development Corporation. The Mayor asked for a motion. Councilman Schurig made a motion that Dennis Nesser be removed from the Gonzales Economic Development Board. Councilman Opiela seconded the motion. The Mayor asked if there was any discussion. Mayor Kacir stated for the record council we did have previous discussion in executive session regarding this issue. I feel no further discussion is warranted in open discussion at this time. Do any other councilmembers have any discussion? Councilman Hernandez stated I have a question. While it was discussed in executive session, this item is different from what we talked about in executive session. The reasons here have to come out tonight why we are doing this. We don't talk about what was in executive session but this was put on only an open and shut case. Jackie Williamson stated it can't be an open and shut case. Councilman Hernandez stated he would like to discuss it. Mayor Kacir stated discussion would be allowed councilman I just again ask you to proceed with open meetings act and ensure that we do not violate any issues under the statute for which the executive session is held. Councilman Hernandez stated my only discussion would be why are we doing this. Can someone answer me? Someone had to put it on the agenda so should we not be allowed to at least know why we're doing it. Mayor Kacir stated the discussion was held previously in executive session. Councilman Hernandez stated correct me if I'm wrong- in the future if we just decide we want to do this, we're setting a precedence here that we don't discuss with nobody and we just get rid of people. Mayor Kacir stated no sir. We are upholding our charter and the local government code which states that boards and commissions are appointed and serve at the pleasure of the council. That removal from office of any officer or member of any board or commission and inquire into the conduct of any office, department or municipal officers under our charter section 3.07. Councilman Schroeder stated when we brought this up in executive session I was probably on board with the motion at the time and I went upon Mr. Nesser personally to

have a discussion with him with what we've got on our plate. No necessarily discussing the items or allegations against him but you know there's three sides to every story. Yours, mine and the truth. I keep getting the closed door session from one side and then I get public comments in front of everybody from this gentleman. Kind of debunking or clearing himself and I asked him you know Dennis it would be easier on all of us if you would turn in your resignation. For one, we just keep going around in circles. It's like council keeps focusing on this and EDC focused on this, or maybe not all of EDC. He said you know if that's what you want to do, I'll make it easier on everybody. Then he approached me again and said you know I don't feel like I'm warranted of this. If you're going to dismiss me then dismiss me. I said you know this came up and he kind of debunked it in writing, via text, via email. I said well this is not what we discussed, the proof that he had. He came out about like a hostile environment or something. I mean where do we draw the line on the hostile environment stuff where every single employee of the city comes to us with that allegation and we just have to bow down to whatever. At first I wanted his resignation but he does serve his constituents. I don't remember if it was me. If I didn't appoint him to the board, I seconded it because I knew he would be fiscally conservative with the city's money. I still think he would make the right decisions. I'm not pointing any fingers at anybody bringing these allegations at him but it seems more like a witch hunt. Mayor Kacir called point of order. Council Hernandez stated when Mr. Nesser was removed as the business end of it, this council unanimously voted that under no circumstances would Mr. Nesser be removed from this board. And now here we are again. It's almost like this is going to be a pattern. This is never going to end. I have no further comments. The Mayor asked for a roll call vote. Councilman Schurig and Opiela and Mayor Kacir all voted "aye". Councilman Schroeder and Hernandez voted "nay".

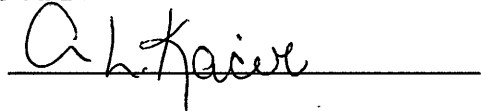
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Opiela seconded the motion and the meeting adjourned at 7:20 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
FEBRUARY 7, 2017 MINUTES**

The City Council convened the regular city council meeting at 6:01 p.m., February 7, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Carla Faltisek, William Ince, Laura Zella, Ralph Camarillo, Anne Dollery, Genora Young, Barbara Friedrich, Tim Crow, Pam Larison

Mayor Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

Charles Ramirez, 914 Kleine Street stated I'm just here this afternoon to bring something to light if you are not aware of it already. January 9th I put in a letter to each of you to go over and read about a situation that I was involved in. I'm going to read it out loud just so you know. To The Honorable Mayor Connie Kacir and City Council Members: My name is Charles Ramirez. I am 32 years old and have lived in The City of Gonzales all of my life. I have a wife named Felicia and three children at home. I work full time and I have never been in trouble with the law. I love my neighbors as I love myself and I am proud to call Gonzales my home. On the evening of April 23, 2016 I was involved in an incident with the City of Gonzales Police Department. I was pulled over for an alleged minor traffic violation, and ended up being assaulted, injured, falsely arrested, and charged with two crimes. During and subsequent of this incident I was subjected to racial profiling and discrimination; excessive force and aggravated assault; unlawful restraint; aggravated kidnapping; official oppression; terroristic threats; abuse of office; and criminal mischief at the hands of officers. I received damages to my person; my property; my reputation; my finances and my opportunities; and my family. My civil rights, as enumerated in both The United States Constitution and The Texas Constitution, were violated. All criminal charges against me have been extinguished through acquittal or dismissal. To my knowledge, no criminal charges have been filed against officers and no internal investigation or disciplinary action has been taken by the Gonzales Police Department in response to my complaints. I wish to you to perform a thorough and independent investigation into the facts and circumstances laid forth in this claim. If you find any cause for damages, I wish to be made whole. I wish you to recommend this case for criminal prosecution against officers. I also wish you to enact legislation and policy that protects the people of Gonzales from further police abuse.

You and the police are my trusted servants and I depend on you for proper exercise of the powers that I delegate and trust to you. May God bless you and the people of Gonzales. All I would like to say is that we need to make this situation that is occurring, there is a problem, and if nobody talks about it it will never be heard. Put it on the agenda for the next meeting to what's actually happening to the officers when they commit wrong. If I was charged with any crime and was found guilty, I would be in prison I would be fined there are steps that would be taken. Here's a video of any evidence in case you haven't had time to view it if you would like a copy. Thank you.

Valmon Mead stated Mayor, City Council; I'm here on the agenda for the Heritage Carriage Company for the carriage rides for Valentines. I'm going to try and bring a little romance to the city. We've been in business 22 years; we've been with the City of Galveston, Livingston, and Rosenberg. We moved here a couple of years ago and we're trying to move this direction with the business up in Houston all the time. Come towards Gonzales where we're living, we're living in Cost right now and we're looking forward to working with the City.

Barbara Crozier, 828 St. Lois Street stated I'm here tonight just to make myself available if you have any questions when we arrive at discuss and consideration of the expenditure of the hotel and motel tax for the Come and Take It Committee. That is resolution #14 on your agenda tonight and if anyone has any questions I wanted to make sure that I'm here. I'm available to discuss the board's decision on the recommendation that was put forth.

Robert Bland stated Mayor, City Council, City Staff; my name is Robert Bland. I am here on behalf of the Come and Take It Committee, speaking on behalf of resolution 2017-13 that's #14 on your agenda item dealing with the Come and Take It Committee's request for hotel/motel funds. Over the past two years we've have name brand bands come into Come and Take It. This has been a change from the past several years before that and we've been very fortunate that we were able to accomplish that with the use of hotel/motel funds, the HOT funds. These past couple of years, especially this past year we have filled all the hotel rooms in Gonzales. We have increased sales tax revenues with filling the restaurants, the shops, the bars. We've been bringing people to Gonzales. This has been accomplished through our advertising campaign but more importantly through our entertainers. Not only do we get advertising from these larger named entertainers, they put this on their website, they put this on their Facebook pages. They advertise Gonzales. That's not just in Texas, that's everywhere in the United States. People see hey this artist is playing in Gonzales. Our draw is the entertainment that is what gets people to Gonzales. The beneficiaries are our local businesses in Gonzales as a whole. People see the artists, gives them a reason to come to Gonzales. They come for the celebration they get a little bit of taste of what Gonzales is. They see the history, they see the charm and then they leave but they don't stay gone; they actually come back to Gonzales to visit it again. They see what great opportunities Gonzales has. Not only do they come back but they bring their friends with them. Hey we saw this really neat town; this is the place to go. There's no better advertising than word of mouth, I think everybody understands that. So, in turn,

an investment in Come and Take It is an investment in Gonzales. So on behalf of the Come and Take It Committee I urge the council to add a minimum to go along with the Tourism Board's recommendation of giving Come and Take It \$6,000 for advertising and \$6,000 for entertainment. I would respectfully request council to increase the entertainment funds because that is the draw for Come and Take It that is the draw for Gonzales. Thank you.

Richard Shelton stated thank you for letting me come up and speak. Once again I'm going to be back here in Gonzales, I think it's a great place to live. I'm glad to be back *after being in a few places considerably bigger*. I'm glad to be back in a smaller town. Just something I came up about as far as maybe saving a nickel. Last I heard was talk about possibly increasing taxes or at least there was a discussion last time. Regardless, I thought of a way possibly saving some money as far as maybe we can reduce pick up time as far as recyclable materials because I think a lot of people don't have their cans filled up necessarily all the time. I think it would be possible to be a good sales job on people if we reduce it to half of what it is right now. I don't know how much money that will save or anything because that takes up awhile for people to do that. I don't know if that will keep somebody from being full time or not but I'm not a tree hugger but I do believe God made us to be good stewards of the environment but I think you can sell it on the fact that we're reducing our carbon footprint. Ask your neighbor if you can borrow their can, they should be open minded about doing it and how much money that would save. I think a lot of people would buy into it if they were trying to recycle which I think is a good idea and save some money possibly. Thank you.

OTHER BUSINESS

Item #1, Mayor, Connie Kacir read Consideration and Action Proposing to Suspend all City Paid Benefits to the City Council Members this would include health insurance, stipend and expenditures for travel and training for the TML conference paid by the city and authorized staff to publish a Public Hearing Notice as per Section 3.04 of the City of Gonzales Charter. This particular item was discussed by the Mayor and Mayor Pro Tem after last council meeting and this is follow up action to council for comments in regards to this item. We are requesting suspension of council compensation and benefits that would include the monthly stipend, insurance and TML conference travel and training. An affirmative action on this item this evening would authorize staff to follow statutory requirements of posting a public notice and public hearing with final action to approve the change and the current policy at the March meeting. This action would further require a budget amendment to be adopted with the financial impact reducing expenditures. Council holds the authority to reinstate compensation and benefits following an adoption of policies reflective of supporting revenues required to fund city operations and services. The policies adopted require a plan to recapitalize the city providing for fiscal responsibility and sound governance. The Mayor asked for a motion. No motion was made the item died due to lack of motion.

APPROVAL OF MINUTES

Item #2, 3, 4 & 5, Mayor, Connie Kacir read approval of the January 3, 2017, January 17, 2017, January 24, 2017 and January 30, 2017 council meetings. The Mayor asked for a motion. Councilman Opiela made a motion to approve the minutes for the four City Council Meetings. Councilman Hernandez seconded it. The Mayor asked for a roll call vote. Councilman Schroeder, Schurig, Hernandez, Opiela and the Mayor all voted "aye".

RESOLUTIONS

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-5 Authorizing the Appointment of a Member to the J.B. Wells Park Advisory Board. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution # 2017-5 approving Don Pooley to the J.B. Wells Advisory Board establishing effective date February 7, 2017. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-6 Authorizing the City Manager to Enter into a 99 Year License Agreement with William L. Quinney, Jr. and Barbara McGinty Quinney. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-6 Authorizing the City Manager to execute a license agreement between William L. Quinney, Jr. and Barbara Quinney and the City of Gonzales effective February 7, 2017. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-7 Designating Sean Lally, City Manager as an Authorized Signatory with Financial Institutions. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-7 authorizing Sean Lally our City Manager as an Authorized Signatory with Financial Institutions effective February 7, 2017. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schroeder, Hernandez, Schurig and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-8 Authorizing City Manager and Chief of Police to Enter into an Interlocal Agreement on Behalf of the City of Gonzales with the Gonzales County Sheriff's Office. This was an update to our Interlocal Agreement naming our new Sheriff in the agreement and there were no other changes. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-8 Authorizing City Manager and Chief of Police to Enter into an Interlocal Agreement on Behalf of the City of Gonzales with the Gonzales County Sheriff's Department effective February 7, 2017. Councilman Opiela seconded

the motion. The Mayor asked for a roll call vote. Councilman Hernandez, Opiela, Schroeder, Schurig and the Mayor all voted "aye".

Item #10 Mayor, Connie Kacir read Discuss and Consider Resolution #2017-9 Authorizing the City Manager to Negotiate Terms and Conditions of an Agreement with Victoria College and Execute a New Agreement. The Mayor asked that we amend this to request an extension of the existing agreement to July 1st to allow administration further time to analyze and assess what is best in the financial interest of the city and also work with the college. Councilman Schroeder asked if the Mayor wants to continue on with the current agreement. The Mayor stated and just extend it until July 7th to renegotiate. Councilman Schroeder made a motion to approve Resolution #2017-9 authorizing the City Manager to carry out the terms of the contract as it currently is until July 1, 2017 effective February 7, 2017. I correct my motion to state July 7th. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Schroeder, Schurig, Hernandez, Opiela and the Mayor all voted "aye".

Item#11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-10 receiving the Annual Racial Profiling Report from the Gonzales Police Department. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-10 acknowledging receipt the Annual Racial Profiling Report from the Gonzales Police Department effective February 7, 2017. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #12, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-11 Authorizing Texas Independence Relay's Use of Expo Center at J. B. Wells for the Annual Texas Independence Social and Closure of the 400 Block of Smith Street. We have not received the contract in regards to the event so this evening we will be taking action on approving the social at J. B. Wells and also the street closure of the 400 block of Smith Street. The Mayor asked for a motion. Councilman Opiela made a motion to approve Resolution #2017-11 of the city council of the City of Gonzales, Texas authorizing Texas Independence Relay's Use of the Expo Center at J. B. Wells for the Annual Texas Independence Social, consumption. The Mayor stated that we do not need to address the consumption of alcohol because it's going to be at J. B. Wells. City Attorney, Jackie Williamson stated it's allowed. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Hernandez, Opiela, Schurig, Schroeder and the Mayor all voted "aye".

Item #13, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-12 Authorizing the Use of Texas Heroes Square Including the Parking Lot for the Gonzales Master Gardeners Annual Spring Plant Sale on March 25, 2017. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-12

Authorizing the Use of Texas Heroes Square Including the Parking Lot for the Gonzales Master Gardeners Annual Spring Plant Sale on March 25, 2017 effective February 7, 2017. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schroeder, Hernandez, Schurig and the Mayor all voted "aye".

Item #14, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-13 Authorizing the Expenditure of Hotel/Motel Funds in the Amount of \$12,000 for Come and Take It Committee; \$6,000 for Entertainment and \$6,000 for Advertising. The Mayor asked for a motion. Councilman Hernandez made a motion to approve Resolution #2017-13 as it reads. The Mayor stated which pulls it out of the fund balance. Councilman Schroeder seconded the motion. The Mayor stated I would like to consider moving that from the event line item as budgeted instead of pulling it from the fund balance. Councilman Hernandez amended to read to pull it out of their fund line item. The Mayor asked if everyone was in favor of rescinding that motion. I need consent to rescind the motion and consent to rescind the second. The motion belongs to the body at the present time. Councilman Hernandez stated yes. Councilman Schurig stated yes to resending the second. The Mayor asked for a roll call vote. Councilman Hernandez, Opiela, Schroeder, Schurig and the Mayor all voted "aye".

Item #15, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-14 Approving Heritage Carriage Company the use of the Confederate Square for passenger pick up and returns. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-14 Authorizing Heritage Carriage Company the use of Confederate Square for passenger pick up and returns effective February 7, 2017. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Hernandez, Opiela, Schroeder, Schurig and the Mayor all voted "aye".

ORDINANCES

Item #16 Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-4 Amendment Section 3.540 of the Gonzales Code of Ordinances Building Permits by Replacing Subsections (a) and (b). We reviewed the building code of ordinance a number of times. There have been some modifications and this is our newest latest improved policy. Councilman Hernandez asked what is this actually doing from the previous one. The Mayor stated I don't have the original ordinance to do a line by line item. There is information in the brief but it doesn't compare it. This one will assess the building permits based on square foot. Building Official, William Ince stated what this has done is it's taken the guess work out of a value system. It's kind of hard to get subcontractors to actually tell us what the actual cost of the job is. There are several other towns in this area that go off based on the square footage price and that just seems the fair way to do it even to the homeowner because they don't know how much it's going to be. It's based upon the square foot price no matter if you have the

materials; we still have to do the inspections. We still have to follow through with everything. But what that does is it equals the playing field. What it's done also is like in the plumbing permit section is our average of gas test permit is \$65 because of the value system they put in. Right now we're going to make that a one fee schedule of \$75. We're going up \$10 on it so basically when you come in for a gas test whether it be for a residential structure or a commercial building it will still only be \$75. The roofing permits will be the same. That will be a flat rate no matter if you're putting in one square or if you're putting in a hundred squares. The way we have to inspect it it doesn't matter but when you come up to that level based upon past history it's the value. One contractor will say a roof cost \$2800 and another will say its \$10,000. For me to try to prove that is nearly impossible so with a flat rate like this it levels the playing field. Councilman Hernandez asked for someone to repair an area of a roof, you would charge them for the whole roof? Are you talking repair or replace, a lot of times if it's a simple repair we don't charge a permit fee for that. If you're doing an entire roof where we have to come out and we inspect to make sure all the vents are good that's what we're after. Councilman Opiela asked did y'all have a fence cost if someone is putting up a privacy fence? William Ince stated if it's 6 foot and below there is no permit but anything 6 foot and above there usually is because of the additional wind load and structure of how it's assembled. We make sure it's buried in concrete and the posts are further down. Councilman Hernandez asked so now there's going to be a charge now for a 6 foot. William Ince stated no, it's 6 foot and above. Normal fencing like you see everywhere around town where there's a picket fence no there is no fee. We just go out and verify that they are on their own property line and if they're on a corner we make sure when you pull up to the intersection you can see through the intersection. What we plan on doing is if this is passed tonight we don't want to make this come available until maybe March or April because we want to get this information out to all the contractors we can, to the lumber yards, post it on the website. To everyone we see and know and do business with, give them a copy and explain to them that in the future this is the way it's going to happen. Our Incode system will accept this type of structure so there won't be any cost incurred with trying to redo a permit with the program itself. It's simplified it and what it does is when we get modular homes pulled in instead of a moving fee of \$100 they will get charged the residential just like if you built a home. Some places it's going to go up and other places it's going to level out. Councilman Opiela stated if a contractor gets a permit to build a house, I see that you all have added at \$0.03 per square foot for slab. William Ince stated that's for parking lots, driveways and sidewalks. I'll need to clarify that a bit more. That is strictly flat work, concrete work only not included in the structure. The Mayor asked for a motion. Councilman Opiela made a motion to approve this as presented effective February 7, 2017. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

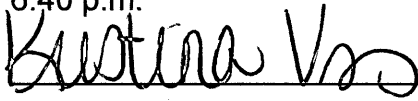
Item #17, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-5 Setting Rates and Establishing Tariffs for Provision of Natural Gas Service by Texas Gas Service Company, A Division of One Gas Inc., for Customers in the City of Gonzales, Texas.; Approving the Consolidation of the Central Texas Service Area and South Texas Service Area into a New, Combined Service Area Known as the Central Texas Service Area. The Mayor stated this will amend the existing ordinance basically for the consolidation of the company to allow them time to receive approval from the Rail Road Commission. The Mayor asked for a motion. The Mayor stated it's the exact same ordinance that we currently have with the change of their rates. Their rates actually went down with the consolidation of the company. They are waiting for permitting from the Rail Road Commission. Once that's received they would like to have the ordinance in place in which to conduct business. Councilman Hernandez made a motion to approve Ordinance #2017-5. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Hernandez, Opiela, Schroeder, Schurig and the Mayor all voted "aye".

Item #18, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-6 Repealing Article 4.200 of the City of Gonzales Code of Ordinances Regarding Oil and Gas Operations with the City and the City of Gonzales ETJ and Adopting a New Ordinance. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Ordinance #2017-6 effective February 7, 2017. Councilman Hernandez seconded the motion. The Mayor stated I have a couple of questions but I do want to mention that the ordinance was written by Bryan D. Meredith. He is an oil and gas licensed attorney. He is approved by TML. He drafted the ordinance and several other communities are utilizing that ordinance as well. As far as questions this was revised based on House Bill 40. It regulates surface only so Jackie everything that occurs below the surface is going to be licensed or permitted by the Rail Road Commission? Jackie Williamson stated that's correct. That was the purpose of the bill. The Mayor asked do we know if any of the wells are going to be in the flood plain. Jackie Williamson stated she had not seen plats yet. The Mayor stated that the noise ordinance within the ordinance is different from the one that we have. Jackie Williamson stated that is right. The Mayor asked is there any issue with that being with that it's within the oil and gas ordinance. The decibels are higher than they are for other ordinances. Jackie Williamson stated that's the recommendation. The Mayor asked the road maintenance; the street department would actually police that and file that with the City Secretary? Jackie Williamson stated that is correct. The Mayor stated Electric lines; it addresses all electric lines should be underground and it does cover our ETJ? Jackie Williamson stated right. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

The Mayor stated I want to go back to our item under other business. Just point of clarification, I know Jackie had sent out an email this afternoon and there was some miscommunication or information in regards to the way the agenda item was printed. I did clarify with her that we can take action on this this evening as it is on the agenda, if that is the desire of the council. The Mayor asked Jackie Williamson to confirm. Jackie Williamson stated what you can take action on is you can entertain a motion to call for a public hearing. To tell staff to publish the public notice, but that's the only action you can take. The Mayor stated so we could have a motion and discussion in regards to the council paid benefits and our motion will follow the agenda and the brief as it was presented in your packet which is to authorize staff to place that for a public hearing. Final action would not occur until the March meeting. Just point of clarification, I will call for a motion if anyone was not clear on that when I originally read that item at the beginning of the meeting. The Mayor asked for a motion. If there is no motion again the item fails for lack of a motion.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Hernandez seconded the motion and the meeting adjourned at 6:40 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in cursive script, appearing to read "A. H. Garcia", written over a horizontal line.

**CITY OF GONZALES
JOINT GONZALES ECONOMIC DEVELOPMENT CORPORATION WORKSHOP
WITH CITY COUNCIL
FEBRUARY 22, 2017 MINUTES**

The Gonzales Economic Development Corporation and City Council convened the workshop at 6:01 p.m., January 24, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary-Kristina Vega, Economic Development CEO/President-Genora Young

Gonzales Economic Development Corporation Board of Directors Present: Crissy O'Neal, James Ryan, Dewey Smith, Hector Porras

Staff Present: Barbara Friedrich

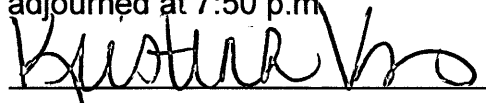
GEDC President Crissy O'Neal called Gonzales Economic Development Corporation workshop to order at 6:01 p.m. and cited the Pledge of Allegiance. Mayor Connie Kacir then called the City Council Workshop to order and gave the invocation.

WORKSHOP

Jeff Moore, Attorney/Partner with Brown & Hoffmeister, L.L.P., gave a presentation regarding Type B Sales Tax Issues and Related Issues. Gonzales Economic Development Corporation Board of Directors and the City Council engaged in discussion with the presenter regarding the agenda item.

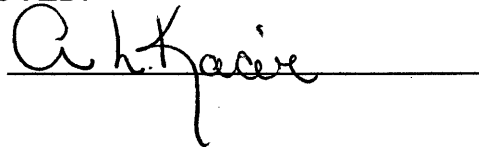
ADJOURN

GEDC President Crissy O'Neal asked for a motion to adjourn. Board Member Hector Porras made a motion to adjourn and Board Member James Ryan seconded the motion. The Mayor then asked for a motion to adjourn. Councilman Hernandez made a motion to adjourn and Councilman Opiela seconded the motion and the meeting adjourned at 7:50 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
MARCH 7, 2017 MINUTES**

The City Council convened the council meeting at 6:01 p.m., March 7, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Carla Faltisek, James Conquest, Barbara Friedrich, Tim Patek, Pam Larison, Tim Crow, Gary Schurig

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

David Geasling presenting a PowerPoint presentation with discussion in regards to the gate failure at Lake Wood.

Sandra Mauldin stated good evening Mayor and Council. I just want to thank y'all for considering appointments to the Museum Board at tonight's meeting. I hope we can move forward with some of that and appreciate you considering it. We would hope that with your guidance and direction that a board will be able to develop goals and strategies for the City Museums. We feel this will be an opportunity to promote and market new visitation. We feel that it will encourage new donations and support of our museums and their displays. We propose that a board could work collaboratively with all of our local museum boards as well as the tourism entities in the community to ensure that when visitors come to Gonzales they will receive their maps and the experience. So I thank you again for considering this and appreciate it.

APPROVAL OF MINUTES

Item #1 & 2 Mayor, Connie Kacir read approval of the February 7, 2017 council meeting and February 22, 2017 workshop minutes. Mayor, Connie Kacir stated point of information; last paragraph in February 7 minutes I'd like to request that we change one word can't to can. In the sentence Jackie Williamson stated that when you take action on this you can entertain the motion to call for a public hearing. The Mayor asked for a motion. Councilman Schroeder made a motion to approve the minutes for the February

7, 2017 City Council Meeting minutes and the approval of the February 22, 2017 workshop minutes with the correction on the February 7 as stated . Councilman Schurig seconded it. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, Hernandez, Opiela and the Mayor Pro Tem all voted "aye."

RESOLUTIONS

Item #3, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-15 Awarding the Contract for the St. George and St. Paul Streets Sidewalk Improvement Project and Authorizing the City Manager to Execute the Agreement. The Mayor stated Councilman in your packet you do have a copy of the bid tabulation sheets as provided. We're asking for a motion naming the City manager to execute that agreement and to name the contractor to be awarded that project. The Mayor asked for a motion. Councilman Schroeder asked: just the 700 block of St. Paul are we building a new parking lot for the Police Department is what I was wanting to know. City Engineer, Keith Schauer stated no this is the 400 block of St. George Street from the Come and Take It Grill to the Randle Rather Building and 700 block of St. Paul Street from St. Francis Street to the front door of the Police Department to rebuilding the sidewalk. The Mayor stated your brief did state Councilman Schroeder that of course the sidewalk will adjoin the parking to add ADA access to the Police Department. Councilman Opiela asked we had \$550,000 in that account so that would knock us down to under \$400,000 and we still have all of the street repairs in that account, do you have any information on that that you can share with us? City Engineer, Keith Schauer stated we were instructed that we were not going to move forward with some of those street repairs this year. That we were going to put that on hold for now. Councilman Opiela stated but our streets are getting so bad, there are pot holes everywhere when you drive the streets it's pretty bad. Mayor Kacir stated we are going to have to request a budget amendment; Councilman Opiela brings up a good point. That doesn't fall within your realm City Engineer but we will ask for an amendment to the budget on that line item. As you stated there was just over \$500,000 that was originally allocated now that we are half way through the budget in April we'll ask for staff to provide us an amendment and recommendations. Councilman Opiela stated that is one of the biggest complaints in town is our streets and all of the pot holes. City Engineer, Keith Schauer stated we were working on plans to maintain some of the streets and then we were told to stop working on that for right now, and I guess once we figure out what exactly what it is we want to do we can move forward with that. Councilman Opiela stated his is something that needs to be done downtown. The Mayor asked for a motion. Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-15 Awarding the Contract for the St. George and St. Paul Streets Sidewalk Improvement Project and Authorizing the City Manager to Execute the Agreement with Gaeke Construction. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #4, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-16 Approving the Date Change for the May and July City Council Meetings. Mayor Kacir stated that we have requested date changes to those two meetings, May to allow for the May Election and July due to the July 4th holiday. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution # 2017-16 Authorizing the Rescheduling of the May 2, 2017 and July 4, 2017 regular City Council meetings. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-17 Appointing Members to the Gonzales Museum Advisory Board. Mayor Kacir stated for the record, I do want to state in your packet we have an application to serve on any board from Mr. Steve Sucher, he has contacted me today and asked that he withdraw from the Museum Board due to a conflict with staff being a relative of his family, so we want to remove him from this board. He would like to be considered for other boards in the future. With that we have a total of six applicants; you will be appointing two members for a one year term and three members for a two year term. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-17 Appointing Polly Fink and Ann Covert to the Gonzales Museum Board for one term beginning March 7, 2017 and ending September 30, 2018, appointing Brent Baker, John Such and John Tinsley to the Gonzales Museum Advisory Board for a two year term beginning March 7, 2017 and ending September 30, 2019. Councilman Opiela seconded the motion. The Mayor asked if there was further discussion. Councilman Hernandez stated I just have some questions. I understand when this board was going to get created, Ms. Mauldin was a big part of this and I would have liked to have seen her considered for this board. I realize the motion and the second has been made and it is hard to pick out of seven or eight people but as much work as she put in to it. Mayor Kacir stated she concurred, I did have several meetings with Ms. Mauldin and she was very instrumental in taking this initiative on, and has continued to work with me over the months in recruiting applicants for the board. Councilman Hernandez stated it was a personal observation. Mayor Kacir stated we have a motion and a second, and we will need to take action on that motion. The motion does belong to the body and if there is reconsideration there can be another motion made following the action that is taken. Councilman Schroeder stated he had a question, does Mr. Tinsley currently serve on a board. Mayor Kacir stated no sir. Councilman Schroeder then stated but Mr. Such does. Mayor Kacir stated Mr. Such serves on the Golf Board. Councilman Schroeder asked do we know if Ms. Mauldin is already currently on a board. Mayor Kacir stated she is not currently serving on a board or commission with the city at this time. Councilman Schroeder stated I do kind of concur with you and Mr. Hernandez with the effort that she has put in to the museum and I would like to see Ms. Mauldin there in place of Mr. Such maybe because he is already tied down on the Golf Advisory

Board. The Mayor asked for a roll call vote. Councilman Hernandez, Schroeder, and the Mayor all voted "aye". Councilman Schurig and Opiela voted "nay". The motion failed. The Mayor called for another motion. Councilman Schroeder made a motion to approve Resolution # 2017-17 Appointing Polly Fink and Ann Covert to the Gonzales Museum Board for one term beginning March 7, 2017 and ending September 30, 2018, appointing Sandra Mauldin, John Tinsley and Brent Baker to the Gonzales Museum Advisory Board for a two year term beginning March 7, 2017 and ending September 30, 2019. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder and the Mayor all voted "aye". Councilman Schurig voted "nay".

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-18 Authorizing the City Manager to Execute an Oil, Gas and Mineral Lease Between the City of Gonzales and Tri-Force Explorer I, LP. Mayor Kacir stated that she did receive notification from the President this afternoon. He has asked that this be postponed to a future agenda. The Mayor asked for a motion to postpone this item. Councilman Hernandez made a motion to postpone Resolution #2017-18 Authorizing the City Manager to Execute an Oil, Gas and Mineral Lease Between the City of Gonzales and Tri-Force Explorer I, LP. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-19 Approving Gonzales Main Street's Use of Confederate Square for the Annual Main Street Concert Series and Star Spangled Spectacular, Designated Street Closures, and Sale and Consumption of Alcoholic Beverages. The Mayor asked for a motion. Councilman Hernandez made a motion to approve Resolution #2017-19 Approving Gonzales Main Street's Use of Confederate Square for the Annual Main Street Concert Series and Star Spangled Spectacular, Designated Street Closures, and Sale and Consumption of Alcoholic Beverages. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-20 Authorizing Hill Country Tech Guys to Install Fiber Networking for the City of Gonzales. Mayor Kacir stated that we would like to call to postpone this agenda item. Our IT provider contacted me today and he does want to continue to meet with staff, he has some additional questions that he would like to resolve before we bring this to Council. The Mayor asked for a motion. Councilman Schroeder made a motion to postpone Resolution #2017-20 Authorizing Hill Country Tech Guys to Install Fiber Networking for the City of Gonzales. Councilman Schurig seconded the motion. The Mayor asked for a

roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-21 Authorizing Norma's House to Hold a 5K Run/Walk on April 1, 2017. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-21 Authorizing Norma's House to Hold a 5K Run/Walk on April 1, 2017. Councilman Hernandez seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

ORDINANCES

Item #10, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-7 Authorizing The Issuance, Sale And Delivery Of Approximately \$1,700,000 In Aggregate Principal Amount of "City of Gonzales, Texas Combination Tax And Revenue Certificates Of Obligation, Series 2017"; Securing The Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Electric System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, an Official Statement and all Other Instruments and Procedures Related Thereto. Mayor Kacir stated that we are going to call to postpone this item as well. In order to have our final numbers, our CAFR to confirm the final numbers with our POS, the estimated debt obligation annually is estimated at \$150,000 per annum. I will call on Bob Henderson to address the Council with any questions the Council may have or give us an overview of the issuance and sale of the certificates. Bob Henderson stated as you know we were originally scheduled to sell the debt this evening. We've been in conversations with the rating agencies to affirm the rating that has been issued to the City of Gonzales. We've learned during that process that your audit is going to be ready faster than we thought it was going to be. We'll have a definitive draft in approximately two weeks and then your will be coming back on the 28th to approve the final draft. So in order to protect the City in respect to all of the regulatory oversight that's involved, it would be more advantageous to the City both from the liability perspective as well as an investor relation perspective to wait until that audit is completed and we can put audited definitive numbers into the securities offering document. So that's why we recommended to the City Manager and the Mayor this postponement. I am here to answer any questions that you might have. The Mayor asked for a motion. Councilman Schurig made a motion to postpone until April 4, 2017 Ordinance #2017-7 Authorizing The Issuance, Sale And Delivery Of Approximately \$1,700,000 In Aggregate Principal Amount of "City of Gonzales, Texas Combination Tax And Revenue Certificates Of Obligation, Series 2017"; Securing The Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Electric System; and Approving and Authorizing the Execution of a Paying Agent/Registrar

Agreement, a Purchase Contract, an Official Statement and all Other Instruments and Procedures Related Thereto. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Mayor Kacir called for a five minute recess.

At 6:39 p.m. the City Council reconvened after their five minute recess.

BOARD/STAFF REPORTS

Item #11, Mayor Kacir stated that the Financial Report is available for review and asked the Council if they had any questions. Council did not have any questions. Mayor Kacir stated for the record that there was \$1.1 million that was moved out of our TexPool investments that was moved into our general operating account for the purpose of cash flow deficiencies in meeting our day to day operations, but you will see that it was placed in our operating account. Councilman Hernandez stated did that come out of packet page 116. Mayor Kacir stated it came out of TexPool and actually it was noted on the report last month, and we did not do the financial report last month and I did want to make sure that I did make that point of information. You will see it; it did flow into the general fund. It was taken out of investments to alleviate cash flow deficiencies. Councilman Hernandez stated it won't show up in this report. Finance Director, Pam Larison stated let me explain it, the TexPool accounts were separated into general fund, TexPool, Investments, electric fund investments, water and wastewater. Each one of those when we liquidated TexPool we liquidated them into their cash accounts so its showing up on the cash accounts but it actually was put into the pooled cash which is where all of each funds operating cash comes from. One of the main reasons was to make sure that we have a constant cash flow to cover our expenses. Another issue was that TexPool's rates have been low and have been low for years and with our interest bearing account we are getting better interest at Sage. We have peaks and then we go down a little bit during payroll but we're still getting better rates with it being at Sage but you will see it if you look at the financials in the investment report not the quarterly report. You will see its going to be combined with the cash that's already in there. Each one of those TexPool accounts that were liquidated went into those cash accounts. Mayor Kacir stated that over the last year, we've been doing large sweeps about payroll time and other times and those were necessary to cover cash flow deficiency. Another point of information all of our enterprise funds, we've seen a decrease in those and a large decrease in our water fund. Primarily that's reflected from the timing of when the reports were run and also our bond payment that was due in the water department.

EXECUTIVE SESSION

Item #12, Executive Session as Authorized by Government Code 551.071 Consultation with Attorney; Closed Meeting (b) Settlement Offer; JMOS Realty Company, LLC. The Mayor asked for a motion. Councilman Schroeder made a motion to move into executive session as Authorized by Government Code 551.071 Consultation with Attorney; Closed Meeting (b) Settlement Offer; JMOS Realty Company, LLC.

Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

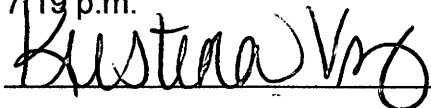
RETURN TO OPEN SESSION

At 7:18 p.m. the Council returned to Open Session.

Item #13, Mayor Connie Kacir read Discuss and Consider Resolution #2017-22 Action Resulting from Executive Session Authorizing Revisions to the Loan Agreement and Note between Gonzales Economic Development Corporation and JMOS Realty Reducing the Current Repayable Balance to \$200,000 Contingent Upon JMOS Realty Refinancing their Loan with a Lender within 60 days. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-22 Action Resulting from Executive Session Authorizing Revisions to the Loan Agreement and Note between Gonzales Economic Development Corporation and JMOS Realty Reducing the Current Repayable Balance to \$200,000 Contingent Upon JMOS Realty Refinancing their Loan with a Lender within 60 days. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

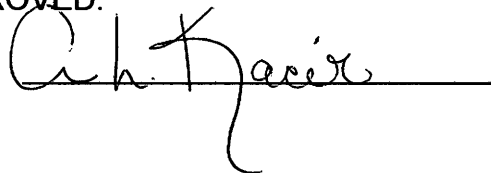
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 7:19 p.m.

A handwritten signature in dark ink, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in dark ink, appearing to read "Connie Kacir", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
MARCH 28, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., March 28, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Clarence Opiela and Tommy Schurig.

The following members were absent: Gary Schroeder

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Gary Shock, Tim Patek, William Ince, Earline Perkins, Laura Zella, Laura Zendejas, Jen Bruce, Micaela Estrada, Angie Kessler, Ralph Camarillo, Tim Crow, Gary Schurig, Genora Young, Marty Ficken, Caroline Helms

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

No public comments were made.

RESOLUTIONS

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-23 Acknowledging the Receipt and Presentation of the Comprehensive Annual Financial Report for the Fiscal Year ending September 31, 2016. Mike Brooks, with BrooksCardiel stated I will be presenting you with the Comprehensive Annual Financial Report for the 2016 Fiscal Year. You will see the CAFR; in addition some audit reports and a summarized audit presentation. The three areas of a typical audit are broken into three segments; the planning, this is typically when we come out during the summer and spend a few days, meet with staff, evaluate internal controls, evaluate areas of the city which may contain more significant risk than others, and develop our audit plan for the field work. Next would be the field work, that's the bulk of what we do, coming out looking at account balances, vouching invoices, confirming amounts, following up on any findings we might have had in the audit and ultimately providing journal entries to the city. Finally, the end is audit completion; this is preparation of the CAFR, meetings with staff, discussions on any findings and presentation to council. Next, I do want to point out that the City has issued a comprehensive annual Financial Report as opposed to an Annual Financial Report; this means that the City is going above and beyond the standard reporting requirements. There are some additional sections within your

financial report. It is something the City is doing which is not required but should be commended. Next, I want to go over the components of your annual financial report, first we have the letter of transmittal, followed by the auditor's opinion, followed by the management's discussion and analysis. Next, is the basic financial statement, followed by the required supplementary information, and finally the statistical sections? Next, is what we consider to be the most important statement in the CAFR and this is the auditor's opinion? There are four possible outcomes to an auditor's opinion, it can be unmodified, modified, disclaimed or adverse. Unmodified being the best and adverse being the worst. We have issued an unmodified, clean audit opinion. This is the highest level of assurance that we can give, that the financial statements are free of material misstatement and all footnotes are disclosed. Briefly, several financial highlights, total assets exceeded total liabilities by approximately \$28 million; the City's total net position increased by \$226 thousand, the governmental funds ending fund balances of approximately \$1.48 million, but had an overall decrease of about \$2 million. Unassigned fund balance in the general fund ending at \$369 thousand or 5% of your annual general fund expenditures and net pension liabilities, which include your firefighter pension and TMRS, totaled \$3.5 million at year end. Next, is a condensed statement of revenues, expenditures and changes in fund balance for your governmental funds, this is your general special revenue and JB Wells, most important number you want to look at here is your ending fund balance for your general fund. The ending fund balance is \$426 thousand which contained an unassigned fund balance within that \$426 of \$369 thousand. The reason this number is important is because the City wants to maintain a sufficient reserve within this unassigned fund balance to meet day to day operations in case there is any revenue issue where you're required to pull from this fund balance. Currently the City stands at about 5% of your annual general fund expenditures. The City's policy is 15%, we typically recommend anywhere from 15% to 25% so this year the City did a little bit lower than they were last year, there was a decrease in overall fund balance of \$200 thousand, so you're a little bit low on policy and you were a little bit lower this year than you were last year, so we would hope to see that going the other direction. Next is a summary of your governmental revenues, this includes your grants and contributions, property taxes and sales tax. The three largest were grants and contributions, grants totaled \$2.3 million this was primarily because of the \$2 million library grant. Next, was sales taxes at \$1.4 million and the third largest was property taxes at \$678 thousand. Next, are the three largest governmental activities expenditures, public safety at \$3.6 million, followed by general government, and then parks and recreation at \$1.8 million? Next, you will find your budget to actual for your general fund. The city had a negative revenue variance of approximately \$1 million, the primary factor leading to this is sales taxes. You received a lot less sales taxes than were budgeted. The City had a positive expenditure variance of \$316 thousand for a total net negative budget variance of \$781 thousand. Certainly

the City wants to pay closer attention to some of these revenue and expenditure items. If a revenue or expenditure item is unplanned or unbudgeted the City should consider doing a budget amendment for it. Next, is a statement of revenues, expenditures and changes in net position for your proprietary funds, this is your electric, water, wastewater and solid waste. The numbers that you want to look at for this one is, are these funds self-supporting, are they maintaining a positive or negative net position. The electric fund had an overall increase of \$71 thousand. Your water fund had a decrease of \$488 thousand, your wastewater had a decrease of \$254 thousand and your solid waste had a decrease of \$105 thousand. This is certainly something that you want to pay attention to. You don't want to have trends where these funds are continuing to have losses in their net position. Next is a summary statement of your net pension liability for your TMRS, this is the City's defined benefit pension plan. Councilman Schurig asked on a scale one to ten, one being the lowest, how do we compare to other cities our size? Mike Brooks clarified as far as financial stability, you are certainly trending downward, this is the third year that we have had less than stellar operating results to present to you, and you are getting into a territory that is a little bit concerning with just a five percent reserve. I have audited cities that are worse financial position, but certainly the city is getting into a territory in which you don't want to be in. I would say you are definitely in that lower quarter. City Manager, Sean Lally stated on page 21 of the CAFR we showed \$3.47 was transferred over to our general fund. Before the transfers we had a negative position of \$2.46 million, my question is this, what would have happened if we had the inability to make that transfer, what would the outcome have been without that transfer. Based on balance budget provisions, based on the needs of the citizenry, based on the city, what could the outcome have been in that situation? Mike Brooks stated on this situation the transfers are funding operations, so if the transfers were not available to do that then operations would cease, and the city would obviously have to make some decisions as to what was essential and what you would be able to pay for without those amounts. City Manager, Sean Lally stated this is a two part questions, as you have eluded to where fund balances are decreasing, our utilities are decreasing in balance based on the transfers, that being said, without having this pool money available this year, next year the year after without recapitalizing those funds and even with recapitalizing those funds what would you recommend for this city? Mike Brooks stated, the transfers are certainly high, relative to where they should be, so they are a mechanism that the city can use legally to fund general operations. The percentage was at 35% which is higher than most cities that we audit. The city should take steps to reduce that otherwise you're in a situation that you were describing where if for some reason that wasn't available the city would be in trouble. Certainly something you want to look at, maybe develop a policy reduce that rate and fund the budget in some other way, either through cuts or other increased revenue. The Mayor asked for a motion. Councilman Schurig made a motion to approve

Resolution #2017-23 Acknowledging the Receipt and Presentation of the Comprehensive Annual Financial Report for the Fiscal Year ending September 31, 2016. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig and the Mayor all voted "aye".

Item #2, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-24 Establishing a Transfer Policy to Recapitalize Existing Fund Balances. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-24 Establishing a Transfer Policy to Recapitalize Existing Fund Balances. Councilman Opiela seconded the motion. Mayor Kacir asked if the first priority was based on the gross budget. City Manager, Sean Lally stated yes that is the gross operating budget, that is set by the GFOA standards and they would like you to hold 25% in your reserve for any of your fund balances. When they say maintained the correct definition of that is held in reserve for the ability to pay for things like dam repair, only to be used for public utility. City Manager Lally stated since he has been here the city has not held in reserves 25% in the utility funds. The city wrote an ordinance, Jackie correct me if I am wrong, an ordinance or resolution for 15% of the general fund in reserves and as Mr. Brooks reported tonight, we have 5%. Those standards are outdated, and I would like to bring to council to up that to 25% as a number we want to achieve. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig and the Mayor all voted "aye".

Item #3, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-25 Authorizing City Staff to Repost the Request for Proposals Notice for Depository Services Contracts for the City of Gonzales and Gonzales Economic Development Corporation. The Mayor asked for a motion. Councilman Opiela made a motion to approve Resolution #2017-25 Authorizing City Staff to Repost the Request for Proposals Notice for Depository Services Contracts for the City of Gonzales and Gonzales Economic Development Corporation. Councilman Schurig seconded the motion. Councilman Lorenzo Hernandez stated this says to repost, has this been done before? Mayor Kacir stated yes, there were some discrepancies in the original, prior posting so the bids were returned to the institutions that responded. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig and the Mayor all voted "aye".

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schurig made a motion to adjourn and Councilman Opiela seconded the motion and the meeting adjourned at 6:40 p.m.

Kristina Vega

Kristina Vega, City Secretary

APPROVED:

A. H. Kaciv

**CITY OF GONZALES
CITY COUNCIL MEETING
APRIL 4, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., April 4, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Lorenzo Hernandez, Gary Schroeder, Clarence Opiela and Tommy Schurig.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Genora Young, Barbara Friedrich, Todd Remschel, Laura Zella, Carla Faltisek, Tim Patek, Tim Crow, Earlene Perkins and Micaela Estrada

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

James Ryan reminded the City Council that the Youth Center would have a BBQ fundraiser over the weekend. Mr. Ryan encouraged all to attend.

Genora Young extended an invitation to City Council members and the public to attend the Annual Luncheon of the Gonzales Area Development Corporation. The event is free and open to the public.

Immediately following Public Comments, Mayor Kacir adjourned into Executive Session as Authorized by GC Sec. 551.071 Consultation with Attorney.

RETURN TO OPEN SESSION at approximately 7:02 P.M.

OTHER BUSINESS

Mayor Kacir read the formal Proclamation Designating April 2017 as Fair Housing Month.

ORDINANCES

Item #14. Mayor Kacir read Discuss and Consider Ordinance #2017-8 Authorizing the Issuance, Sale and Delivery of up to \$1,700,000 in Aggregate Principal Amount of "City of Gonzales, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017"; Securing The Payment Thereof By Authorizing the Levy of An Annual Ad Valorem Tax And A Pledge Of Certain Surplus Revenues Of The City's Electric System; And Approving And Authorizing The Execution Of A Paying Agent/Registrar Agreement,

A Purchase Contract, An Official Statement And All Other Instruments And Procedures Related Thereto. She further clarified that this action would approve the issuance of Certificates of Obligation to make improvements to the Hydro Electric Dam. The Mayor asked for a motion. Councilman Hernandez made a motion to approve Ordinance #2017-8 Authorizing the Issuance, Sale and Delivery of up to \$1,700,000 in Aggregate Principal Amount of "City of Gonzales, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017"; Securing The Payment Thereof By Authorizing the Levy of An Annual Ad Valorem Tax And A Pledge Of Certain Surplus Revenues Of The City's Electric System; And Approving And Authorizing The Execution Of A Paying Agent/Registrar Agreement, A Purchase Contract, An Official Statement And All Other Instruments And Procedures Related Thereto.. Councilman Opiela seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Mayor Kacir thanked the public for their patience and explained the need for holding the Executive Session and Agenda Item #14 at the beginning of the meeting.

APPROVAL OF MINUTES

Item #2. Approval of March 7, 2017 Minutes. Councilman Schroeder made a motion to approve the minutes as written, Councilman Schurig seconded the motion. Mayor Kacir requested a friendly amendment to the motion due to the fact that John Tinsley was mentioned twice in the list of attendees to the Museum Board of Directors meeting. She also asked that Sandra Mauldin be added to the list of attendees. Councilman Schroeder accepted and amended his motion to include Mayor Kacir's changes and Councilman Schurig seconded. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

RESOLUTIONS

Item #3, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-26 Authorizing the Amendments to Section 8.06 of the City of Gonzales Personnel Manual. Councilman Schurig made a motion to approve Resolution #2017-26 Authorizing the Amendments to Section 8.06 of the City of Gonzales Personnel Manual. Councilman Schroeder seconded. Mayor Kacir called for any discussion. Councilman Hernandez requested clarification and a briefing of just what the Resolution addressed. Mayor Kacir explained that the Resolution would require employees to cover all tattoos. Councilman Hernandez expressed his concern for the possible loss of good employees because of tattoos. Mayor Kacir asked if there were other concerns or comments. There being none, Mayor Kacir asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye". Councilman Hernandez voted "nay".

Item #4, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-27 Authorizing the Elimination of Trash Dumpsters at City of Gonzales Public Works. Mayor Kacir asked Tim Patek, Parks Director to approach the podium. Councilman Clarence Opiela expressed his concern for penalizing citizens who use the dumpster appropriately because of the few who abuse the system. Mr. Patek explained the process by which the public must show identification when dumping. He explained that there are those who dump several times a day and it is not clear whether the trash and debris is from one location or multiple locations. Councilman Opiela asked if there are contractors who dump construction debris and Mr. Patek said it is a possibility. He further explained that staff knows that some trash is brought in from outside of the City Limits. Councilman Opiela again, expressed his concern for citizens who do not abuse the system, who are upset about possibly losing the service. Councilman Schurig mentioned the bulk trash pickup at curb service four times a year. Mr. Patek stated that staff is merely informing City Council of the cost of operating the current system. Councilman Hernandez asked what the control process is for those who do not live within the City Limits. Mr. Patek explained that the cost is \$12 per load, \$50 for ½ trailer and \$100 per full trailer. There are some who will pay \$12 every time they dump. Residents of the City are allowed to use the service for free. Councilman Schurig asked if the charges are paying for the service and Mr. Patek stated that it is not. Councilman Opiela asked if there are 3 dumpsters at the site. Mr. Patek confirmed and explained that concrete, tires, paint and hazardous materials are not allowed. and that there are times that staff feels the need to monitor what is dumped. Councilman Hernandez asked what Mr. Patek thought would happen to trash situation if the dumpsters are eliminated. Mr. Patek's opinion is that trash will be dumped somewhere else in the community. Sean Lally, City Manager informed the Council that the cost is currently \$13.70 per resident which could be used towards other expenses in other areas. Mr. Patek expressed his opinion that incremental increases would be appropriate. Mr. Hernandez asked if the staff monitors the number of vehicles dump. Mr. Patek confirmed that staff does monitor. Mayor Kacir requested that the Council consider postponing a decision on this item and move the item to a July agenda so that a thorough analysis can be performed. Councilman Schroeder made a motion to place this item on the July meeting of the City Council. Councilman Opiela seconded the motion. Mayor Kacir encouraged staff to continue to monitor junk cars and other garbage to keep the community clean. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-28 Appointing a Member to the Gonzales Economic Development Board to Fill an Unexpired Term Ending September 30, 2017. Tommy Schurig made a motion to approve Resolution #2017-28 Appointing a Steve Sucher to the Gonzales Economic Development Board to Fill an Unexpired Term Ending September 30, 2017.

Councilman Hernandez seconded the motion. Clarence Opiela asked for more detailed information when applicants are presented to City Council. Kristina Vega, City Secretary explained that personal information is redacted so that it is not placed on the City's website. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-29 Approving the Street Closures and Authorizing the Consumption of Alcohol for the Sacred Heart Church Festival on June 10, 2017. Councilman Schroeder made a motion to approve Resolution #2017-29 Approving the Street Closures and Authorizing the Consumption of Alcohol for the Sacred Heart Church Festival on June 10, 2017. Councilman Hernandez seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez, Schroeder, Schurig and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-30 Authoring the appointment of Election Judge and Workers for the May 6, 2017 General Election. Gary Schurig made a motion to approve Resolution #2017-30 and establish an effective date of 4/4/2017. Tommy Schurig seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-31 Authorizing the City Manager to Execute an Oil, Gas and Mineral Lease Between the City of Gonzales and Tri-Force Explorer I, LP. Mayor Kacir informed the Council that she had correspondence from the Principle and asked that the Council postpone this item until a later date. Councilman Schurig made a motion to postpone Resolution #2017-31 until a later date. Councilman Schroeder seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-32 Authorizing the Main Street Program's use of Confederate Square for the First Annual Gonzales City Wide Garage Sale. Councilman Schurig made a motion to approve Resolution #2017-32 Authorizing the Main Street Program's use of Confederate Square for the First Annual Gonzales City Wide Garage Sale and establish an effective date of 4/4/2017. Councilman Hernandez seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #10, Mayor Connie Kacir read Discuss and Consider Resolution #2017-33 Approving the Budget Calendar and Adopting a Cash Flow Analysis Document to Aid in the Budget Preparation, Development, Managerial Guidance and Final Adoption of the

Budget for Fiscal Year 2017-2018. Councilman Opiela made a motion to approve Resolution #2017-33 Approving the Budget Calendar and Adopting a Cash Flow Analysis Document to Aid in the Budget Preparation, Development, Managerial Guidance and Final Adoption of the Budget for Fiscal Year 2017-2018. Councilman Lorenzo Hernandez seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #11, Mayor Connie Kacir read Discuss and Consider Resolution #2017-34 Authorizing the Life Changing Church Use of the Confederate Square for a Revival on May 6, 2017. Councilman Hernandez made a motion to approve Resolution #2017-34 Authorizing the Life Changing Church Use of the Confederate Square for a Revival on May 6, 2017. Councilman Opiela seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #12, Mayor Connie Kacir read Discuss and Consider Resolution #2017-35 Authorizing Fresh Fruit Ministries to Hold a Prayer Walk on May 4, 2017. Councilman Schurig made a motion to approve Resolution #2017-35 Authorizing Fresh Fruit Ministries to Hold a Prayer Walk on May 4, 2017. Councilman Schroeder seconded the motion. Councilman Hernandez asked if the event would only last one hour. Kristina Vega confirmed that the event would be held during the lunch hour, with participants walking around major City streets. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

Item #13, Mayor Connie Kacir read Discuss and Consider Resolution #2017-36 Authorizing the City Manager to Enter Into a Contract with Doucet & Associates for Engineering and Project Management services for the Hydroelectric Dam Project. Mayor Kacir asked Keith Schauer to approach the podium to answer questions. She asked if the contract is cost plus. Mr. Schauer explained that there are different costs for different items. She asked why TCEQ is involved. Mr. Schauer confirmed that it is due to water supply. Councilman Schurig asked how bad the condition is. Mr. Schauer explained that approximately half of the brick structure will be replaced. Mr. Schurig asked if the foundation has moved. Mr. Schauer explained that it had not moved, but that approximately half the structure must be replaced. He explained that the efficiency of production of electricity is more related to the water intake. Mayor Kacir asked if she could ask Mr. Schauer to give an update to Council once an inspection is conducted by a Consultant from Georgia. She asked if the fencing noted in Mr. Schauer's report will be permanent or if it is only for construction. He indicated that there is already some fencing that will be changed some for construction. After asking the Council if there were further questions. Being none, the Mayor called for a motion. Councilman Schurig made a motion to approve Resolution #2017-36 Authorizing the City Manager to Enter Into a Contract with Doucet &

Associates for Engineering and Project Management services for the Hydroelectric Dam Project. Councilman Schroeder seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Hernandez Schroeder, Schurig and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #15, Mayor Kacir asked if City Council had questions regarding the Financial Report.

EXECUTIVE SESSION

Item #16, The Mayor asked for a motion to move into Executive Session Authorized by GC 551.072 Deliberation Regarding Real Property; Closed Meeting. A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person. Councilman Schroeder made a motion to move into Executive Session after a five minute recess. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye".


RETURN TO OPEN SESSION

Item #17, Discuss and Consider Any Action Resulting from Executive Session as Necessary.

No motion was made resulting from Executive Session.

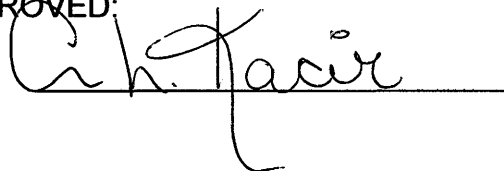
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Hernandez, Schurig, Schroeder and the Mayor all voted "aye". The meeting adjourned at approximately 7:54 PM



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
MAY 9, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., May 9, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Clarence Opiela and Tommy Schurig.

Members Absent: Lorenzo Hernandez

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Others Absent: City Attorney-Jackie Williamson

Staff Present: Laura Zella, Carla Faltisek, Todd Remschel, Genora Young, Gary Shock, Earline Perkins, Barbara Friedrich, Tim Crow, Tammy West, Sami Jo Warren

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

Joseph Kridler, 612 Oakland, spoke on behalf of Roy Staton and LeeRoy Camarillo regarding their character and dismissal from the City of Gonzales.

Landra Solansky, non-resident of the City of Gonzales but part of the close knit community spoke in support of Roy Staton and against his dismissal.

Sandra Mauldin, representing the Museum Advisory Board, gave a report on the accomplishments of the board in the past couple months.

Jackie Mikesh, Victoria College Gonzales Center Manager, spoke in regards to the extension of the current lease agreement and gave an update on all of the progress that Victoria College Gonzales has made in the past ten years.

Vince Ortiz, Assistant Manager at Victoria College Gonzales, offered personal invitation for June 13th from 5 p.m. to 7 p.m., Victoria College will host a 10 year celebration to commemorate the opening of Victoria College Gonzales center.

PUBLIC HEARING

Item #1, The Mayor opened the Public Hearing for Early Citizen Input Regarding the Use of City Funds for Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018.

David Tucs, President of Edwards Association, stated on behalf of Edwards Association he would like to express sincere gratitude for including Edwards Association in the 2016-2017 budget. He then gave a report on what the funding assisted the association to accomplish and expressed the desire to be included in the 2017-2018 budget. He then described what the funding would be used for if the City authorized the funding for the upcoming Fiscal year.

The Mayor then closed the Public Hearing.

APPROVAL OF MINUTES

Item #2 & 3, Approval of March 28, 2017 Called City Council Meeting Minutes and the April 4, 2017 City Council Meeting Minutes. Councilman Schroeder made a motion to approve the minutes as written, Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye".

RESOLUTIONS

Item #4, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-37 Designating a Depository for the City of Gonzales and Authorizing the City Manager to Execute a Depository Contact Effective June 1, 2017. She stated that we do have representation from both Financial Institutions that have presented an RFP, Mr. Hendershot from Sage Capital Bank, and also Mrs. Charlene Gray from Gonzales National Bank. Are there any questions from the Council before I call for a motion? The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-37 Designating Sage Capital Bank as the Depository for the City of Gonzales, and Authorizing the City Manager to Execute a Depository Contract with Said Bank. Councilman Schroeder seconded the motion. Mayor Kacir stated as a point of information I will state for the record, I am a Stock Holder in Sage Capital Bank and according to the Charter I can take action on the item as my ownership is less than 1% of the total stock shares issued. The only other comment I would like to make is when reviewing those depository contracts they were both very competitive. I appreciate both banks very much and in my review the interest rate really was the sole factor. Sage presented 52 basis points above the 3 month Treasury bill and it was just in the best financial interest of the City, but again I thank both of those financial institutions for preparing those bids. Mayor Kacir asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye".

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-38 Authorizing the City Manager to Enter Into a One Year Extension for the Lease Agreement with Victoria College. Councilman Schroeder made a motion to approved Resolution #2017-38 Authorizing the City Manager to Enter Into a One Year Extension for the Lease Agreement with Victoria College. Councilman Schurig seconded the motion. Mayor Kacir asked if Councilman Schroeder stated the dollar amount of the lease, and asked if he could amend his motion to include the dollar amount. Councilman Schroeder amended his motion stating that the fee is \$1.00. Councilman Schurig seconded the amendment. The Mayor asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye". Mayor Kacir stated for the record that we have been meeting with Mr. Ortiz and Mrs. Mikesch and we are looking at some other opportunities moving forward to create additional sustainability for the college and opportunities that exist there, and we will continue to address those options.

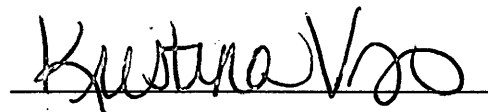
Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-39 Designating Laura Zella, Finance Director as an Authorized Signatory with Financial Institutions. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-39 Designating Laura Zella, Finance Director as an Authorized Signatory with Financial Institutions. Councilman Schroeder seconded the motion. Mayor Kacir asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #7 & 8, Mayor Kacir asked if City Council had questions regarding the Financial or Investment Report.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Opiela made a motion to adjourn and Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schurig, Schroeder and the Mayor all voted "aye". The meeting adjourned at approximately 6:29 PM.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
MAY 15, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., May 15, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Clarence Opiela and Tommy Schurig.

Members Absent: Lorenzo Hernandez

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Others Absent: City Attorney-Jackie Williamson

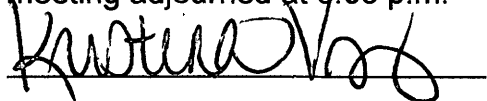
Mayor Connie Kacir called the meeting to order at 6:03 p.m.

RESOLUTIONS

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-40 Accepting the Official Canvass of the May 6, 2017 Election. A Resolution of the City of Gonzales, Texas Canvassing the Returns and Officially Declaring the Results of the May 6, 2017 Election; and Declaring an Effective Date for the Purpose of Electing Council members for Council member District 3 and 4 and that each of the candidates in said election received the following votes: total votes cast in District 3 are 239. For the record we declare Lorenzo Hernandez has a total of 106 votes, Bobby G. O'Neal a total of 133 votes: in District 4, total votes received 294 votes: Dan Blakemore 184 votes, Hector Porras 74 votes and Clarence E. Opiela 36 votes. For the record those votes are stated as the true and correct record of the May 6, 2017 Election. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-40 the canvassing and returns officially declaring the results of the May 6, 2017 Election declaring Bobby G. O'Neal as District 3 Councilman and Dan Blakemore as District 4 Councilman. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schroeder, Schurig and the Mayor all voted "aye".

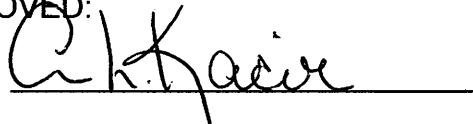
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Opiela, Schurig, Schroeder and the Mayor all voted "aye". The meeting adjourned at 6:05 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
JUNE 6, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., June 6, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder and Tommy Schurig.

The following members were absent: Lorenzo Hernandez, Clarence Opiela

The following incoming council members were present: Dan Blakemore, Bobby O'Neal

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Carla Faltisek, James Conquest, Barbara Friedrich, Tim Patek, Tim Crow, Gary Schurig, Genora Young, Earlene Perkins, Micaela Estrada, Angie Kessler, Laura Zella, Laura Zendejas, Jackie Martinez, Tammy Malatek, Marland Mercer, Todd Remschel, Gary Shock, Gary Malatek

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

Clint Hille spoke, on behalf of the Gonzales Historic Homes Association, Belle Oaks Inn, Booth House B & B and the Gonzales CVB, in support of the creation a position of Director of Tourism.

James Ryan spoke in favor of the Director of Tourism position, expressing concerns for the funding and the Bond payment for the Expo Center. He also spoke in favor of the Superintendent of Public Works position expressing concerns that the title should be changed to Manager or Director. He also shared is concerns for the removal of another building from the tax rolls, if the Appraisal District's purchase of a building. He suggested that a new build might be a better option.

Barbara Crozier spoke on behalf of the CVB to support the Resolution creating the position of Director of Tourism.

Billy Bob Low spoke in favor of the creation of the position of Director of Tourism.

Jenny Nesser spoke, as a citizen and not as a Manager of a local business. She spoke against the creation of the Director of Tourism position, suggesting that the vote should be postponed due to the financial state of the City of Gonzales.

Dennis Nesser spoke against the creation of the Tourism Director due to the financial state of the City of Gonzales.

Ruth Guerra spoke on behalf of restaurants and hotels, in support of the creation of a Tourism Director position.

PUBLIC HEARING

Item #1, Early citizen input regarding the use of City funds for Fiscal Year beginning October 1, 2017 and ending 2018.

No comments were made during the Public Hearing.

The Mayor then closed the Public Hearing.

OTHER BUSINESS – OATH OF OFFICE

Item #2, Bobby O'Neal accepted the Oath of Office, as presented by Mayor Connie Kacir.

Item #3, Dan Blakemore accepted the Oath of Office, as presented by Mayor Connie Kacir.

APPROVAL OF MINUTES

Item #4 and Item #5, Councilman Schurig made a motion to approve the May 9, 2017 and May 15, 2017 meeting minutes as presented. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-41 authorizing the position of Superintendent of Public Works. Mayor Kacir explained that the Public Works position was actually dissolved in 2009. She stated that she believes that better organization would be created and efficiency would increase. Due to overtime, the City has expended over \$65,000. She asked for comments from Sean Lally, City Manager. Mr. Lally stated that the position will create efficiencies that are currently lacking. He complimented the staff and emphasized that the position would support the staff. Councilman O'Neal asked if there could be a review within 6 months to a year to determine how the financial portion of the position is measured. Mr. Lally confirmed and stated that he will review the position and there will be quantifiable measures. Council will see overtime costs, inventory, where purchases are directed and where the crews are scheduled. Councilman Blakemore inquired about the

previous elimination of the position. He wondered if the position has been dormant or dissolved and if the Council is creating a new position. Mr. Lally stated that it was his understanding that the position was dissolved. Kristina Vega, City Secretary explained that it is her understanding that the position was dissolved and the salary was divided and dispersed among the appropriate Heads of Departments. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-41 authorizing the position of Superintendent of Public Works. Councilman Blakemore *seconded* the motion. Mayor Kacir asked if there is further discussion. Councilman Gary Schroeder expressed his concerns for the abolishment of the position and re-disbursement of the salary. He shared his concerns for the financial state of the City, creation of another "Chief" or "Supervisors supervising Supervisors." He does believe the timing is not responsible to add another \$65,000 salary as a middle-man. Mayor Kacir explained that the position would stop work leakage and add efficiency. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, and the Mayor all voted "aye". Councilman Schroeder voted "nay".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-42 authorizing the Creation of the Position of Tourism Director. Mayor Kacir stated that the Convention and Visitors Bureau Executive Committee met and voted to forfeit approximately \$100,000 of the advertising budget to create the position of Tourism Director. She shared that there is some increase activity in the oil and gas industry. Further, funds will not come out of City General Fund; the proposed funds will come out of the Hotel/Motel fund, in lieu of advertising funds. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution 2017-42 authorizing the Creation of the Position of Tourism Director. Councilman Schurig *seconded* the motion. Councilman Schroeder opposed the action, citing all the others working to promote Tourism. He does not believe that now is the time to create the position. He suggested that some of the retired individuals step up and commit some of their time to volunteering for the position rather than the City Council creating a paid position. Mayor Kacir explained that the Expo Center is funded through Hotel/Motel Funds and GEDC funds. According to the statute, more than 51% of the use of the building should be placing heads in beds. Councilman Schroeder shared his belief that Gonzales should be recruiting industry and not the creation of a Tourism Director. Councilman Blakemore shared his concerns that there may be a duplication of efforts and that at the end of two years; we are in the same place. He specified that as long as the funds to pay the salary of this position come from Hotel/Motel funds and not the General Funds. He stated that at the end of two years, if there are no measurable improvements and productivity, the position should be terminated. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, and the Mayor all voted "aye". Councilman Schroeder voted "nay".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-43 Authorizing the City Manager to Enter into an Agreement with Secure Vision of America for Installation of Approximately 2,200 Smart Water Meters. Mayor Kacir stated that she would allow for the presentation of information by a representative from Secure Vision; however, she asked the Council to table the item to a future agenda. Councilman Blakemore made a motion to table the item until a future agenda. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye". The motion passed unanimously. Robert Wiley, Secure Vision provided a power point presentation and handouts.

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-44 Approving the Proposal by the Gonzales County Appraisal District Relating to the Purchase of Land and Improvements for an Appraisal Office Facility and for the Financing of Such Purchase. John Liford, Chief Appraiser presented information and answered questions from City Council. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-44 Approving the Proposal by the Gonzales County Appraisal District Relating to the Purchase of Land and Improvements for an Appraisal Office Facility and for the Financing of Such Purchase. Councilman Blakemore seconded the motion. Councilman Gary Schroeder opposed the removal of the building from the tax roll and stated that he will not support the motion. Councilman Blakemore stated that he would not support the purchase. Mayor Kacir called for the vote. The motion failed, with all members voting "Nay."

Item #10, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-45 Authorizing Staff to Establish a Specific Use Fund for the Gonzales Memorial Museum. Mayor Kacir asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-45 Authorizing Staff to Establish a Specific Use Funds for the Gonzales Memorial Museum. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, and the Mayor all voted "aye".

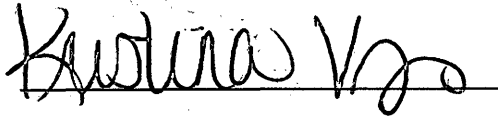
BOARD/STAFF REPORTS

Item #11, Mayor Kacir stated that the Financial Report is available for review and asked the Council if they had any questions.

There being none, Mayor Kacir stated that the next meeting of the City Council is Tuesday, July 11, 2017 at 6 p.m.

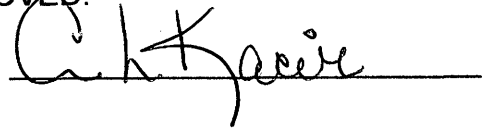
ADJOURN

Item #12, The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman O'Neal seconded the motion and the meeting adjourned at 7:12 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in cursive script, appearing to read "C. O'Neal", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
JUNE 12, 2017 MINUTES**

The City Council convened the council meeting at 5:07 p.m., June 12, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Tommy Schurig, Dan Blakemore, Bobby O'Neal

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

RESOLUTIONS

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-46 Appointing a Mayor Pro-Tem for the City of Gonzales. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-46 Appointing Councilman Dan Blakemore as Mayor Pro-Tem for the City of Gonzales. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

EXECUTIVE SESSION

Item #2, The Mayor asked for a motion to move into executive session. At 5:10 p.m. Councilman O'Neal made a motion to move into Executive Session as Authorized by Government Code 551.071. Consultation with Attorney; Closed Meeting. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

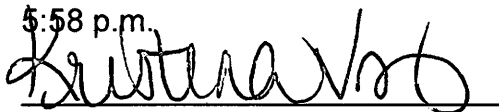
RETURN TO OPEN SESSION

At 5:57 p.m. the Council returned to Open Session.

Item #3, The Mayor asked for a motion resulting from Executive Session. Councilman O'Neal made a motion that the City employ the services of Denton, Navarro, Rocha, Bernal, Hyde & Zech attorney firm for possible litigation. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

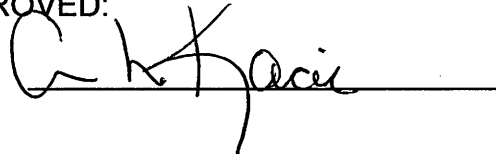
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 5:58 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL WORKSHOP
JUNE 27, 2017 MINUTES**

The City Council convened their workshop at 4:03 p.m., Tuesday, June 27, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie Kacir, Councilmen Tommy Schurig, Bobby O'Neal, Dan Blakemore. Councilman Gary Schroeder joined the workshop at 6:58 p.m.

Others Present: City Manager-Sean Lally, City Secretary-Kristina Vega

Staff Present: Laura Zella

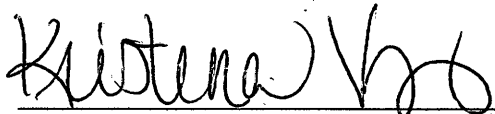
Mayor Kacir called the meeting to order.

WORKSHOP

Item #1, The Mayor, Council and administration engaged in discussion regarding pre-budgetary planning to include budget planning, financial forecasting and understanding.

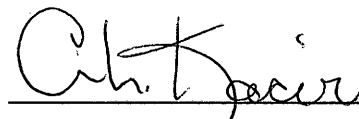
ADJOURN

The Mayor asked for a motion to adjourned. Councilman Opiela made a motion to adjourn. Councilman Schurig seconded the motion. The mayor then adjourned the meeting at 8:18 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
JULY 11, 2017 MINUTES**

The City Council convened the council meeting at 5:03 p.m., July 11, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder and Tommy Schurig, Dan Blakemore, Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Carla Faltisek, Barbara Friedrich, Tim Patek, Tim Crow, Gary Schurig, Genora Young, Laura Zella, Todd Remschel

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

EXECUTIVE SESSION

Item #1, The Mayor asked for a motion to move into executive session. Councilman O'Neal made a motion to move into Executive Session Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales City Council will consult in closed session with its attorney(s) to receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act to wit: Contemplated litigation with the Austin Presbyterian Theological Seminary regarding the J.B. Wells Park.. Daniel Santee, DNRBH&Z, Special Counsel). Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

#4, Council returned to open session at 6:25 p.m.
No motion was made out of executive session.
Items #2 and 3 were moved to the end of the meeting.

PUBLIC COMMENTS

Barbara Crozier-spoke in support of the Lion's efforts on the splash pad and expressed her concerns regarding the removal of the dumpsters at Public Works.

OTHER BUSINESS

Mayor Kacir read the agenda following agenda items.

Item #5, A resolution of the City Council of the City of Gonzales, Texas authorizing the expenditures of \$125,000 by Gonzales Economic Development Corporation for funding the Gonzales Noon Lions Club Foundation Splash Pad and establishing an effective date.

Item #6, A resolution of the City Council of the City of Gonzales, Texas approving a loan/grant application from the City of Gonzales, in the amount of \$8,542.00 for the purchase of (1) one Kubota RTV 400 Utility Vehicle for designated use at JB Wells Park and establishing an effective date.

Item #7, A resolution of the City Council of the City of Gonzales, Texas approving a small business incentive grant application from the City of Gonzales, in the amount of \$7,213.57 for the purchase of a Zero Radius Mower, for specific use at the Gonzales Independence Park golf course and RV Camping Sites and establishing an effective date.

APPROVAL OF MINUTES

Item #8, 9 and Item #10, Councilman Schroeder made a motion to approve the June 6, June 12 and June 27, 2017 meeting minutes as presented. Councilman Schurig seconded the motion. Mayor Kacir stated I just have one correction. I would ask for an amendment to that motion on the minutes from June 6th the overtime I stated in discussion was \$65K contrary to the \$55K that was printed in the minutes. Councilman Schroeder amended is motion to read appropriately \$65K rather than the printed \$55K. Councilman Schurig amended his second. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-47 Authorizing the City Manager to Enter Into a Five (5) Year Engineering System Study Agreement with LCRA. She stated we currently have the LCRA Agreement, this amendment will allow our City Manager to extend the current agreement through December 1, 2022. This is for the electric distribution study contract authorizing a renewal and extension of the contract. The increase o the city is \$.33 per month. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-47 Authorizing the City Manager to Enter Into a Five (5) Year Engineering System Study Agreement with LCRA. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye".

Item #12, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-48 Supporting the repairs to the Lake Wood Dam. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution 2017-48 Supporting the repairs to the Lake Wood Dam. Councilman Schroeder seconded the motion. The

Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #13, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-49 Authorizing the Elimination of the Trash Dumpsters at City of Gonzales Public Works. Mayor Kacir stated there is a recap of the costs associated with the dumpsters and some options that were given by staff as far as eliminating the dumpsters completely at Public Works or increasing fees for services at a break even or marginal profit to keep the dumpsters at Public Works. Councilman O'Neal made a motion to approve Resolution #2017-49 Authorizing the Elimination of the Trash Dumpsters at City of Gonzales Public Works. Councilman Blakemore seconded the motion. Councilman Blakemore stated he had several conversations with people today on this saying that we are cutting services because of the abuse of few. As I recall when we discussed this earlier in the budgeting session it appears the county residents are users at a fee and there's an obvious reason they use them and it's because the fee structure is not very prohibitive to them to go through. There is a reason that the Jim Price clean-up started and much to what Barbara said in her public comments we looked at the analysis, we've talked about the people that work on the weekend, we could stop that, it's just not available those days. I fear that if we move them we just create a need to pick it up in other places, but I also understand that we've got \$100k a year expense that the city is incurring that is used by a few. I had a meeting today with a representative of Texas Disposal; this is available 4 times a year, a pick-up of four cubic yards. It has been a very cumbersome process for people to call in and get that service and he swore to me that they had a meeting about streamlining that process. Having said that, we have not done a very good job of educating our citizens that it is available and they haven't done a very good job of making it a reasonable and easy use. So I guess before we do this I will ask the question of the council, is this our only resort to remove it, or do we put a structure in that is going to pay for it and let the users determine the amount of usage. Having done that if you put the fees in place where it pays for itself and the use comes down then maybe you have one dumpster instead of three dumpsters there to go through. That cuts our expense down. Before getting on Council, I was involved in several construction jobs around the city and I provided, or the people I worked for provided their own dumpsters to take care of this because it's simpler, more economical, and it's a lot easier to do. Having said that, they look at this as a free option and it's not free, it's costing you \$106k a year to have them out there. We just simply have to come up with a fee structure that says that if you want to keep it, and you want to use it, you got to pay for it. So the question that I am asking right now is, is it better for us to establish a fee structure that pays for it, or remove it. Personally, if I had to do it, I would go with the fee structure and leave it. Councilman O'Neal stated he pretty much echoes those comments because he doesn't think he would be in favor of increasing the local citizen bills by \$3.15 because you've got so many people that are

Item #20, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-56 Authorizing the City Manager to Execute an Agreement with Bio-West Inc. for the Gonzales Hydroelectric Relicensing Project-Environmental Surveys and Water Quality Monitoring. The Mayor stated in your packet there is an overview where the City has had previously contracted with Schneider Engineering to sub contract this portion for the hydro project. By negotiating a new contract and eliminating the 12% fee the City basically saves \$6,000. Charlotte Garraway of Schneider Engineering presented a power point presentation giving an update on the relicensing process. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-56 Authorizing the City Manager to Execute an Agreement with Bio-West Inc. for the Gonzales Hydroelectric Relicensing Project-Environmental Surveys and Water Quality Monitoring. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #21, Mayor Kacir stated that the Financial Report is available for review and asked the Council if they had any questions.

EXECUTIVE SESSION

Item #2 & 3, The Mayor asked for a motion to move into executive session. At 7:20 p.m. Councilman O'Neal made a motion to move into Executive Session Pursuant to Section 551.072 of the Texas Government Code, Deliberation Regarding Real Property; Closed Meeting. A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have detrimental effect on the position of the governmental body in negotiations with a third person. St. George Property, and Executive Session Pursuant to Section 551.086 of the Texas Government Code, Certain Public Power Utilities: competitive matters. Closed meeting. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

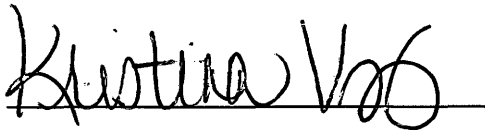
At 8:23 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session. Councilman O'Neal made a motion to Authorizing the Gonzales Economic Development Corporation to enter into a contract for the sale of property located on St. George Street. Councilman Blakemore seconded the motion. The Mayor asked if there was any further discussion regarding this item. Gonzales Economic Development President/CEO stated in reference to Councilman Blakemore's question on the refinancing, they would like to consider refinancing before a five year period with no prepayment penalties. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

Item #3, The Mayor asked for a motion resulting from Executive Session. Councilman Blakemore stated an analysis of our electrical billing model has led to the discovery of a wholesale energy rate from our supplier that the City has been absorbing and this is in violation of City Ordinance 2013-09 and therefore must be passed on to the consumer. The discovery of the error in our billing model negates the need for the rate increase passed on 2017-3 and I would like to make a motion effective immediately resend Ordinance #2017-3 repealing the 2.5% increase. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye."

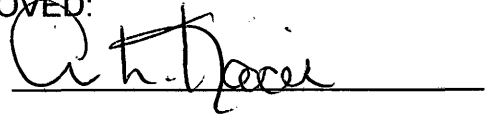
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 8:26 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in cursive script, appearing to read "C. H. Dore", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
JULY 17, 2017 MINUTES**

The City Council convened the called council meeting at 5:03. p.m., July 17, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Tommy Schurig, Dan Blakemore, and Bobby O'Neal

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Keith Schauer, William Ince, Nick Deleon, Ralph Camarillo, Todd Remschel, Genora Young, Tim Crow, Tim Patek, Caroline Helms, Barbara Friedrich, Anne Dollery, Marland Mercer, Ryan Wilkerson, Keith Schmidt, Jason Whiddon

Mayor Connie Kacir called the meeting to order and gave the invocation.

RESOLUTIONS

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-57 Approving the Quote from Hill Country Tech to Upgrade the ITRON Network and Server License in the amount of \$57,626.00. The Mayor stated to council before we ask for any action on this we have Jared Vinson of Hill Country Tech Guys and Micaela who works in our revenue collections department here. I would like to hear from both of these individuals in presentation of this request. Jared went over the quote and explained that the quote is laid out all on one quote, but the \$55k goes directly to ITRON. That amount does not go through Hill Country Tech; it goes directly to the vendor. The \$1,700 is actually for licensing, so our labor is included in this is included in our current agreement. Mayor Kacir asked if we have received any other bids from any other competitors and how would that interface with the current network that we have. Jared stated we have not received any other bids, when it was talked about that it earlier, my only concern about this is that it is an upgrade for an existing system, where that would be a whole new system with probably new meters and quite a bit into it. Mayor Kacir stated taking that into consideration due to the amount of this wouldn't we have to put it out for RFP is that correct. City Manager, Sean Lally stated I would believe so for \$57K yes. City Secretary, Kristina Vega stated because it is a "like" software then we would not have to. Mayor Kacir asked because we have immunity from that statute? I just had to ask the question. Micaela explained how ITRON interfaces with the system. Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-57 Approving the Quote from Hill Country Tech to Upgrade the ITRON Network and Server License in the amount of \$57,626.00. Councilman O'Neal seconded the motion. Councilman Blakemore stated this is an unbudgeted item, where will we be getting it? City Manager, Sean Lally stated it will be coming out of our pooled cash,

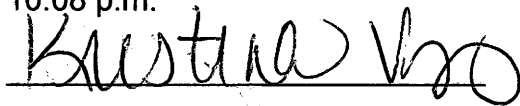
which is the source of revenue today for this expenditure. The Mayor stated, the only addition I have to add, I feel that confident that this is the system that we need to go with but would like to do some due diligence to see if there are any other options when it comes to interfacing because of the amount. Councilmember Schurig amended the motion to bring this back to Council to do a bit more due diligence. Councilman O'Neal amended his second. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

OTHER BUSINESS-WORKSHOP

Item #2, The Council and Department heads engaged in discussion regarding pre budgetary planning for fiscal year 2017-2018.

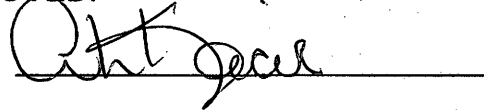
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 10:08 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
JULY 18, 2017 MINUTES**

The City Council convened the council meeting at 6:05 p.m., July 18, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Tommy Schurig, Dan Blakemore, Bobby O'Neal

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Mayor Connie Kacir called the meeting to order and certified that all members of the Council were present. Chairperson, Crissy O'Neal called the GEDC Board to order at 6:07 p.m. and certified a quorum of the Board, with the following members present: Crissy O'Neal, Hector Porras, Steve Sucher, Dewey Smith and James Ryan. Keith Brown and Tommy Cox were absent.

EXECUTIVE SESSION

Item #1, Mayor Kacir read the City Council and GEDC shall convene into closed executive session pursuant to Section 551.087 of the Texas Government Code to deliberate commercial or financial information the City Council and GEDC has received from a business prospect, and to deliberate the offer of a financial or other incentive to a business prospect. The Mayor asked for a motion to move into executive session. At 6:07 p.m. Councilman O'Neal made a motion to move into Executive Session, Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 7:37 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session. Councilman O'Neal made a motion to Authorize the City Manager and staff to proceed with the agreement as discussed in executive session. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

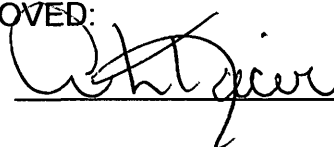
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 7:39 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
AUGUST 1, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., August 1, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder and Tommy Schurig, Dan Blakemore, Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Genora Young, Micaela Estrada, Ralph Camarillo, Barbara Friedrich, Keith Schmidt, Tim Crow, Anne Dollery, Laura Zella

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

No Public Comments were made.

APPROVAL OF MINUTES

Item #1, 2 and 3, Councilman O'Neal made a motion to approve the July 11, July 17 and July 18 meeting minutes as presented. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #4, 5 and 6, Mayor Kacir stated under resolutions, Council we have four resolutions that involve GVEC Transmission Easements and also Right of Ways that they are requesting in order to do a construction project involving fiber optics. After review of the first three agenda items, we do not have a legal description incorporated on those resolutions and I would like to call to postpone this to our next regularly scheduled meeting to allow time to incorporate the correct legal descriptions within the resolution. I have talked to Gerald Bazan at GVEC and also Keith Schauer, our City Engineer. Keith said he feels confident that he can provide that information in 30 days or less and GVEC has agreed to allow that extension. With that being said, I call for a motion on Item #4, 5 and 6 to move those resolutions to our next regularly scheduled meeting. The Mayor asked for a motion. Councilman Blakemore made a motion to move these items to the next regular agenda. Councilman Schroeder seconded the motion. The Mayor asked if there was any further discussion. Councilman O'Neal

stated he would like to ask a question, he asked if some of these were just distribution easements. Gerald Bazan with GVEC approached the podium. Councilman O'Neal asked if these were existing distribution lines. Mr. Bazan stated yes one of them is an existing distribution line that we are going to put in some equipment that is going to be in line with the existing line, it just so happened that we did not have an existing easement on it back when it was installed back in 82. There is no reference to a legal description because the property was given to Gonzales by the Mexican Government so there was no way to tie that back unless some of us do the process and make it a legal description. We are to that point where we are going to put the equipment on the line. The transmission easements are a little bit different, we have an existing easement and line, and we are just going to add fiber optic on to existing line. We are just amending one of those easements so we can do that work. Also, included was where the existing easement was back in 1964 when the line was constructed, so that piece of land that was the city dump, that was the one that we were looking to get done. Now, there's a piece of property that's part of the East Avenue that has no legal description as well, it's just a continuation that goes along 532, it's adjacent to the Roy Halimacek Estate. The park project is to connect our substations, just trying to improve the communication. What we are asking for is the amendments on that transmission line, new easement for the transmission, and a new easement for the installation of the pole that has the equipment that we will be using. Councilman O'Neal stated he knows some years past when he was there at GVEC, that they did not do metes and bounds descriptions on distribution lines, as long as they were described as far as the location and the property owner. Susan Wilkerson, GVEC stated that there would be an attachment to the easement that would have a picture of the existing line that was there. Mayor Kacir stated that she failed to mention that she did ask the City Attorney for her opinion on whether we needed the metes and bounds and in her opinion is that we have it. We certainly want to work in good communication with GVEC and be a good corporate partner and make sure that we provide you with the information timely for you to move forward with your project. City Attorney, Jackie Williamson stated when the City of Gonzales obtains a Right-of-Way Easement with one of our citizens, I always include the actual legal description, and if it's underground I include the width, and if it's a transmission line I just get a legal description of where it is on the property and include that, and it's very specific. Mr. Bazan asked for the distribution, is that what you will need also, on that distribution site, because there are two distribution sites because there are two projects, the transmission easement and distribution easement which we are going to be putting a line on an existing pole. Mayor Kacir asked if we are able to provide that to you in 30 days or less, will that be satisfactory to you to keep on time schedule. Gerald Bazan stated that is one of considerations that we had asked earlier, if it looks like it is going to go a little bit longer, maybe some kind of communications from you all that we are allowed to go along with our project and then we will follow up

with the easement on a later date, that would be beneficial to us as well. Councilman O'Neal stated can just say that if it's not done by the next regular council meeting in September they may proceed and then get the documentation from us later. Mayor Kacir said she will defer to our legal counsel. City Attorney, Jackie Williamson stated, I think that will be sufficient and if someone wants to make a motion to that effect then that will be sufficient. Mayor Kacir asked if Councilman O'Neal would like to amend the motion that is on the floor. Councilman O'Neal stated he would like to make an amendment to the motion on the floor, and make a motion that the information be provided by the next city council meeting first Tuesday in September and if documentation is not done by that time, then GVEC be allowed to proceed and allow up to another 30 days if necessary. Mayor Kacir asked if we can have the second amended as well. Councilman Schroeder seconded the amendment. The Mayor asked if there was any further discussion. Councilman O'Neal asked on that easement, does Sean's title need to be on those documents? City Attorney, Jackie Williamson stated what we are saying is, normally the council will authorize the city manager to execute Right-of-Way Easements and contracts, so his name, and title needs to be put on the easements. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-61 Authorizing the City Manager to Execute Right of Way Easement with Guadalupe Valley Electric Cooperative, Inc. for Property Located at JB Wells Park. With this particular agenda item, we do have the legal description as prepared by Doucet & Associates. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-61 Authorizing the City Manager to Execute Right of Way Easement with Guadalupe Valley Electric Cooperative, Inc. for Property Located at JB Wells Park. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-62 Approving the Quote from Hill Country Tech and Authorizing Hill Country Tech and ITRON to Upgrade the ITRON Network and Server License in the Amount of \$57,626.00. Mayor Kacir stated, when we visited this agenda item at our last meeting, we were needing additional information to support the request. I would like to share with Council that I contacted another vendor, Nexgrid and they are able to interface with our current meters, out of the 3,000 meters we have for water and electric, 66 are ITRON meters. There are about 10 various other brands. The representative that I spoke with said that they could come to Gonzales and give us a demonstration and the full scope of their work. In addition to that, I contacted Hill Country Tech Guys and they committed that they would be able to support the current system to patch us through, allowing us another 30 to 60 days, to do a little more due diligence and to allow staff

time to evaluate the systems, and to see what systems would best interface with our meters. The other issue I had with ITRON, when I requested their service agreement and maintenance support agreement they told me that our existing agreement would stay in affect, which is 20 years old. The Mayor asked for a motion to move this to a later agenda. Councilman O'Neal made a motion to postpone Resolution #2017-62 Approving the Quote from Hill Country Tech and Authorizing Hill Country Tech and ITRON to Upgrade the ITRON Network and Server License in the Amount of \$57,626.00. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-63 Approving the Gonzales Convention and Visitor Center Committee's Recommendation to Fund Up to \$5,000.00 to Gonzales Memorial Museum. The Mayor stated you have in your packet the application that the museum board presented to the CVB for funding for \$5,000.00 and basically they are asking for moneys to purchase souvenirs and to cover their overhead for fundraising expenses up to \$5,000.00 to raise moneys for restoration of our museum. The CVB did approve their application with a unanimous vote. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-63 Approving the Gonzales Convention and Visitor Center Committee's Recommendation to Fund Up to \$5,000.00 to Gonzales Memorial Museum. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #10, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-64 Acknowledging Receipt of 2017-2018 Proposed Operating Budget for the City of Gonzales. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-64 Acknowledging Receipt of 2017-2018 Proposed Operating Budget for the City of Gonzales. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-65 Establishing the Maximum 2017-2018 Ad Valorem Tax Rate. The Mayor stated Councilmen you have in your packet the information from the Appraisal Board and our current 2017-2018 net taxable value that we will use is \$379,869,890 for the 2017 tax roll. Last year tax rate was \$0.1769; we are looking per the statute the maximum amount of the tax rate this evening. The final adoption of the tax rate will be done at the end of September just prior to our next fiscal year. This rate will be the maximum rate that we can adopt. We could adopt the rate that you move tonight, or we could adopt a rate lower, but we do need to set the maximum tax rate tonight and there will be Public Hearings later. Mayor Kacir asked for a motion. Councilman Blakemore made a motion

to approve Resolution #2017-65 Establishing the Maximum 2017-2018 Ad Valorem Tax Rate For the 2017-2018 Budget Year at \$0.275. Councilman Schurig seconded the motion. Mayor Kacir stated using the net taxable valuation of the \$379,000,000 doing the calculations at \$0.275 which was one of the rates that we talked about in our workshop session. That would give us \$1,044,641.94 in property ad valorem property taxes for the next fiscal year. According to the budget last years \$680k, I came up with \$641k is what our actual tax amount would have been based on last year's tax rate which would give us an increase of \$403,142 and we also discussed what the financial impact would be to a property owner whose property is valued at \$100k, raising the rate to \$0.275 would be \$8.17 per month to the property owner. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

ORDINANCES

Item #12, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-9 Amending the Gonzales Code of Ordinance Airplane Hangar Rentals, Section 1.503. Mayor Kacir stated that we have an exhibit in our packet that Ralph Camarillo put together giving us a sample of other airports in our market place and the recommendation for a new fee schedule. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-9 Amending the Gonzales Code of Ordinance Airplane Hangar Rentals, Section 1.503. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #13, Mayor Kacir stated that the Financial Report and 2nd Quarter Investment Report are available for review and asked the Council if they had any questions.

EXECUTIVE SESSION

Item #14, The Mayor asked for a motion to move into executive session. At 6:35 p.m. Councilman O'Neal made a motion to move into Executive Session as Authorized by Government Code Section 551.074 Personnel Matters; City Manager Mid-Year Evaluation. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 7:51 p.m. the Council returned to Open Session.

Item #15, The Mayor asked for a motion resulting from Executive Session. No motion was made.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 7:51 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL WORKSHOP
AUGUST 7, 2017 MINUTES**

The City Council convened the council workshop at 6:00 p.m., August 7, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore, and Bobby O'Neal.

Members absent: Councilman Gary Schroeder

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Staff Present: Genora Young, Tim Patek, Marland Mercer, Ryan Wilkerson, Ralph Camarillo, Barbara Friedrich, Keith Schmidt, Tim Crow, Anne Dollery, Laura Zella, William Ince


Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

WORKSHOP

Item #1 and Item #2, Council and staff engaged in discussion regarding the proposed budget for Fiscal Year Beginning October 1, 2017 Ending September 30, 2018 and the rates and fees for service that the City of Gonzales charges.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn. Councilman Blakemore seconded the motion. The meeting adjourned at 8:50 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CALLED JOINT CITY COUNCIL MEETING
AND
GONZALES ECONOMIC DEVELOPMENT CORPORATION MEETING
AUGUST 22, 2017 MINUTES**

The City Council convened the Called Joint City Council and Gonzales Economic Development Corporation Meeting at 6:05 p.m., August 22, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Members Absent: Councilman Gary Schroeder

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

The Gonzales Economic Development Corporation convened the Called Joint City Council and Gonzales Economic Development Corporation Meeting at 6:07 p.m., August 22, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas

The following Economic Development Corporation members were present constituting a quorum: Chairperson Crissy O'Neal, James Ryan, Steve Sucher, Dewey Smith, Tommy Cox, and Hector Porras

Members Absent: Keith Brown

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Others Absent: City Attorney-Jackie Williamson

Staff Present: Genora Young, Laura Zella, Tim Patek

Mayor Kacir asked that Council addresses the Joint Executive Session with City Council and GEDC first in order for the EDC Attorney to be present.

EXECUTIVE SESSION

Item #12, The Mayor asked for a motion to move into the joint executive session. At 6:09 p.m. Councilman O'Neal made a motion to move into the Joint Executive Session with GEDC as Authorized by Government Code Section 551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting; to Deliberate Commercial or Financial Information of the City Council and GEDC has received from a Business Prospect, and to Deliberate the Offer of a Financial or Other Incentive to a

business prospect. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig and the Mayor all voted "aye".

Chairperson O'Neal asked for a motion to move into the joint executive session. At 6:09 p.m. Board member James Ryan made a motion to move into the Joint Executive Session with GEDC as Authorized by Government Code Section 551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting; to Deliberate Commercial or Financial Information of the City Council and GEDC has received from a Business Prospect, and to Deliberate the Offer of a Financial or Other Incentive to a business prospect. Board member Dewey Smith seconded the motion. Chairperson O'Neal asked for a roll call vote. Board member Ryan, Sucher, Smith, Cox, Porras and Chairperson O'Neal all voted "aye".

RETURN TO OPEN SESSION

At 6:50 p.m. the City Council and GEDC returned to Open Session.

Item #13, The Mayor asked for a motion resulting from Executive Session. Councilman Schurig made a motion to authorize the city attorney, city staff and GEDC attorney to prepare an economic development agreement or agreements on the terms as discussed in executive session. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, O'Neal, Blakemore and the Mayor all voted "aye".

Chairperson O'Neal asked for a motion resulting from Executive Session. Board member Cox made a motion to authorize the city attorney, city staff and GEDC attorney to prepare an economic development agreement or agreements on the terms as discussed in executive session. Board member Smith seconded the motion. Chairperson O'Neal asked for a roll call vote. Board member Ryan, Sucher, Smith, Cox, Porras and Chairperson O'Neal all voted "aye".

GEDC ADJOURN

Chairperson O'Neal asked for a motion to adjourn. Board member Cox made a motion to adjourn and Board member Smith seconded the motion and the joint meeting with the GEDC adjourned at 6:52 p.m.

THE CITY COUNCIL CONTINUED WITH THEIR CALLED MEETING

PUBLIC COMMENTS

Marlene Metzler, owner of the Running M Bar & Grill, 520 St. Paul, you have invited the public to comment issues such as the tax rate and that is why I am here. There are many of us owners and business owners and property owners that value your opinions, and we do, but no one will speak up, we will all talk but no one will speak up because they are afraid of repercussions on their businesses and I am, but I am concerned about

the increases. I am not coming here tonight to tell y'all to change your decisions about a tax rate increase. I know it is inevitable. I am sure that it has already been decided and I know you all will vote in favor. You must know that it is not because our taxes are too low, it is because our moneys have been handled in such a frivolous manner that unfortunately the property and business owners will have to pay. You can be assured this will be a burden on many of us. I have already been hit with a utility rate increase. Not because of the usage, but because of the rate, and a much higher tax rate is sure to come. Our question is how much is this tax rate going to be? By reading the things in the paper and such is it going to be 27%, is it going to be 50%? What is the rate going to be? How much are we going to expect to go up? I do a budget, and I know everybody does, and looking at the Inquirer today, these items that y'all brought before GEDC, that's great that we have GEDC to fall back upon. The items that are being voted on are well needed, but that is something that should be in the budget. You need to see what can be cut back on. These new positions that the City is hiring, how can we afford those. These are questions. Are those not line items? Can we not generate other income? The water park that we came up with that's a good idea, but will we generate any income over that? That's a fun thing, it will be good. My deepest concern I think in all of this, is the way things are changing in the community, and some of the attitudes. I enjoy Gonzales, I think it's a neat little place; I want it to stay that way. I would like for us to come together as a community and work together. Y'all are the Council, y'all look at your budgets, you look at everything. Talk to people, I had a councilman come and talk to me. I appreciate that, I respect that. We are in business, I want to stay in business, but if things keep going up, I won't.

Mayor Kacir stated under the Open Meetings Act Council is able to comment as long as the comments pertain to policy or fact and I would like to make some comments. The tax rate, the maximum tax rate, was set at \$0.275 that will be adopted later in our budget session. The answer to your question, on \$100k valuation your taxes will increase \$8.17 per year. Fact, Texas Municipal League does publish the average tax rate, municipal tax rate for the state of Texas at \$0.41. Additionally, Gonzales was at a \$.33 tax rate 17 years ago, in the year 2000. Again, I just state those facts for clarity. Electric rate, there has not been an electric rate increase; in fact the 2.5% increase was actually repealed at a prior meeting.

Marlene Metzler asked to respond on the utility rate. Well mine has for the last three months now. I came and talked to one of the girls about it, and it was because of the demand meter, and that rate kicked back in for some reason. It hasn't been like that.

Mayor Kacir stated again that she can only speak to fact and that there has not been an electric rate increase.

Mary Ann McClain has reconsidered and no longer has any comments.

PUBLIC HEARING

Item #1, PUBLIC HEARING for Early Citizen Input Regarding the Use of City Funds for Fiscal Year Beginning October 1, 2017 and ending September 30, 2018.

No comments were made.

Item #2, PUBLIC HEARING for Citizen Input Regarding the Proposed Tax Rate for Fiscal Year October 1, 2017 and ending September 30, 2018.

No Comments were made.

Mayor Kacir stated as per statute, the date of the next Public Hearing regarding the proposed Tax Rate for Fiscal Year October 1, 2017 and ending September 30, 2018 will be September 5, 2017 at 6:00 pm.

OTHER BUSINESS

Item #3, Mayor Kacir read agenda item Discuss and Consider a Resolution Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the amount of \$52,033.44 for the Purchase of 3-Kubota ZD1211L 72" Diesel Mowers and 1-Kubota ZD1211 60" Diesel Mower, for the City of Gonzales Parks Department.

Item #4, Mayor Kacir read agenda item Discuss and Consider a Resolution Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the Amount of \$80,373.90, for the Purchase of Greens and Fairway Mowers for Specific Use at the Gonzales Independence Park Golf Course.

Item #5, Mayor Kacir read agenda item Discuss and Consider a Resolution Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales in the Amount of \$54,060.51 for the Purchase of an Ewald Kubota M-5-091 HDC 95 Horsepower Cab Tractor and LA1854 Front Loader for Designated Use at JB Wells Arena and Park.

RESOLUTIONS

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-66 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the amount of \$52,033.44 for the Purchase of 3-Kubota ZD1211L 72" Diesel Mowers and 1-Kubota ZD1211 60" Diesel Mower, for the City of Gonzales Parks Department. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-66 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the amount of \$52,033.44 for the Purchase of 3-Kubota ZD1211L 72" Diesel Mowers and 1-Kubota ZD1211 60" Diesel Mower, for the City of Gonzales Parks Department.

Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-67 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the Amount of \$80,373.90, for the Purchase of Greens and Fairway Mowers for Specific Use at the Gonzales Independence Park Golf Course. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-67 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales, in the Amount of \$80,373.90, for the Purchase of Greens and Fairway Mowers for Specific Use at the Gonzales Independence Park Golf Course. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-68 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales in the Amount of \$54,060.51 for the Purchase of an Ewald Kubota M-5-091 HDC 95 Horsepower Cab Tractor and LA1854 Front Loader for Designated Use at JB Wells Arena and Park. The Mayor asked for a motion. Councilman Opiela made a motion to approve Resolution #2017-68 Approving the Loan/Grant Application to the Gonzales Economic Development Corporation from the City of Gonzales in the Amount of \$54,060.51 for the Purchase of an Ewald Kubota M-5-091 HDC 95 Horsepower Cab Tractor and LA1854 Front Loader for Designated Use at JB Wells Arena and Park. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye."

WORKSHOP

Item #9, Council and staff engaged in discussion regarding the rates and fees for service for the City of Gonzales.

EXECUTIVE SESSION

Item #10, The Mayor asked for a motion to move into executive session. At 7:13 p.m. Councilman Blakemore made a motion to move into the Executive Session as Authorized by Government Code Section 551.087 Deliberation Regarding Economic Development Negotiations; Closed Meeting; to Deliberate Commercial or Financial Information of the City Council has received from a Business Prospect, and to Deliberate the Offer of a Financial or Other Incentive to a business prospect. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 8:22 p.m. the Council returned to Open Session.

Item #11, The Mayor asked for a motion resulting from Executive Session. Councilman Schurig made a motion to authorize the city attorney, city staff and GEDC attorney to prepare an economic development agreement or agreements on the terms as discussed in executive session. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, O'Neal, Blakemore and the Mayor all voted "aye".

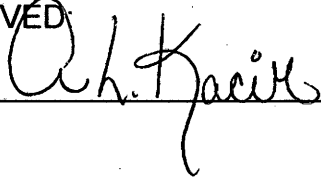
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Blakemore made a motion to adjourn and Councilman O'Neal seconded the motion and the meeting adjourned at 8:24 p.m.



Kristina Vega, City Secretary

APPROVED



**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
AUGUST 28, 2017 MINUTES**

The City Council convened the called council meeting at 6:04 p.m., August 28, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder and Tommy Schurig, Dan Blakemore, Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Laura Zella

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

EXECUTIVE SESSION

Item #1, The Mayor asked for a motion to move into executive session. At 6:05 p.m. Councilman O'Neal made a motion to move into Executive Session Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales City Council will consult in closed session with its attorney(s) to receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act to wit: a) Pending litigation status update: In Re Estate of J.B. Wells, Jr., Deceased (T. Daniel Santee, DNRB&Z, Special Counsel. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 7:21 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session. No motion was made.

WORKSHOP

Item #3, Council and staff engaged in discussion and deliberation regarding the Proposed Budget for Fiscal Year 2017-2018.

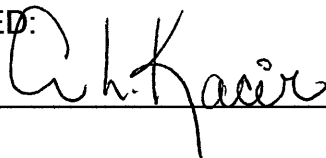
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn. Councilman Schroeder seconded the motion. The meeting adjourned at 8:35 p.m.



Kristina Vega, City Secretary

APPROVED: _____



**CITY OF GONZALES
CITY COUNCIL MEETING
SEPTEMBER 5, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., September 5, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

The following members were absent: Gary Schroeder

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Laura Zella, Barbara Friedrich, Genora Young, Tim Patek, Tim Crow

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

David Dement, 221 St. Francis, stated that the city did a good job preparing for the storm and working through the storm, and that the sidewalk on 400 block of St. George looks amazing. He requested that the City continues to invest in the future and in Gonzales.

Ken Morrow, expressed his opinion on how well the city planned for the storm and the good job that has been done downtown. He also encouraged the City to continue to do the right thing.

Kathryn Penrose, spoke to the generosity of the citizens of Gonzales and the way that the community came together to help with the evacuees within the City of Gonzales.

PUBLIC HEARING

Item #1, Public Hearing for Citizen Input Regarding the Proposed Tax Rate for Fiscal Year October 1, 2017 and ending September 30, 2018.

No one signed up and no comments were made.

RESOLUTIONS

Item #2, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-69 Authorizing the Gonzales First Shot Cook Off and GJH Athletics to Hold the First Shot Cook Off Color Run/Walk on September 16, 2017. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-69 Authorizing the

Gonzales First Shot Cook Off and GJH Athletics to Hold the First Shot Cook Off Color Run/Walk on September 16, 2017. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #3, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-70 Authorizing the Gonzales County Relay for Life to Hold the Annual Relay for Life Event at Confederate Square on May 5, 2018. The Mayor stated before she calls for action on the item, she did speak to the organizer of the event and primarily had two concerns. One was, since we are moving it downtown, that she and the event organizers would meet with the Chief of Police and ensure that we have security in place for them as well as ensuring that they notify all of the downtown businesses well in advance due to the parking issues. The Mayor stated she would like to call for the motion to act on this item, if we could just insert that caveat that it is subject to staff approval and that our downtown business are all notified. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-70 Authorizing the Gonzales County Relay for Life to Hold the Annual Relay for Life Event at Confederate Square on May 5, 2018. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #4, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-71 Authorizing the Gonzales County Relay for Life to Hold a Paint Your World Purple Color Run on April 28, 2018. The Mayor stated on this particular item she also called the organizer. They were requesting to close the street between St. Paul and St. Joseph in front of the fire station. She just asked if they would have a problem moving that down to the corner of St. Paul and St. Lawrence in front of the Methodist Church area so it doesn't block the fire house during that time. She was in agreement to that and Chief Schmidt was appreciative of that also. The Mayor asked for a motion. Councilman Blakemore made a motion to approve Resolution #2017-71 Authorizing the Gonzales County Relay for Life to Hold a Paint Your World Purple Color Run on April 28, 2018. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye."

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-72 Approving Gonzales Main Street's Request for the Use and Closure of Confederate Square for Happy Fall Y'all on October 21, 2017. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-72 Approving Gonzales Main Street's Request for the Use and Closure of Confederate Square for Happy Fall Y'all on October 21, 2017. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

BOARD/STAFF REPORTS

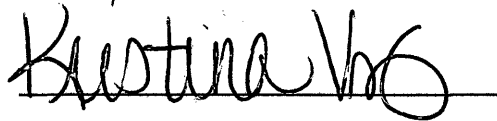
Item #6, Mayor Kacir stated as the Financial Report she asked Laura Zella, Finance Director to give a report and update according to the Finance Policy any increases or decreases in department fund.

Finance Director, Laura Zella stated she was going to go over some of the different departments that are over budget right now and an explanation. The City Manager Department incurred unbudgeted expenditures due to the payment of a severance package, hiring an Interim City Manager, hiring a new City Manager at higher salary, and hiring a Public Works Superintendent which is going to be paid out if the City Manager department. Secondly, the Code Enforcement Department also incurred unbudgeted expenditures due to needing a new computer, network card, Windows 10 Pro, Microsoft Office Home & Business 2013, and going to additional training. The Non-Departmental department had unexpected legal matters, so the legal fees were more than what we had budgeted for, IT because the previous management did not budget accordingly, they budgeted \$42k and the IT company actually cost us a minimum of \$104,855, so we are over on that. We are also over on engineering fees due to an increase in meetings with our engineering company and also due to the fact that not enough money was budgeted. I am also going to go over some of the things we were not able to purchase due to lack of revenue. The Fire Department was unable to purchase their SCBA's this year due to lack of revenue. The Police Department was unable to purchase their two patrol vehicles and equipment for those vehicles due to lack of revenue. The Airport department was unable to purchase the approach system that was going to help the pilots and Air life when flying in cloudy conditions due to the lack of revenue. The Street department was unable to purchase the nomadic roller and tandem 12-14 yard dump truck, the Water department was unable to do some replacements on Church Street due to the lack of revenue. The Wastewater department was not able to replace the sludge hauler slinger truck, dump truck, the pumps at the sewer plant, improvements to St. Louis Street to Fischer Street on Tinsley Creek and also on Hoskins Street. Lastly, the Hotel/Motel department is expenditure over revenues due to a short fall of revenues based on projections. We have four hotels in the city that are not paying the city the hotel/motel tax they are collecting. Hotel #1 is six months behind and owes us \$19,320.00; Hotel #2 is six months behind and owes the City \$15,485.00; Hotel #3 is twelve months behind and owes the city \$11,655.00; Hotel #4 is eighteen months behind and owes the city \$15,789; that totals \$62,250.28. Barbara is working on collecting those.

Mayor Kacir stated that was in the spirit of full disclosure to our citizenry. Council has taken a very cost effective approach to our budget this year, projecting actual revenue streams, and allowing us to fund the items in the departments like the equipment and capital expenditures that are needed for the city to continue.

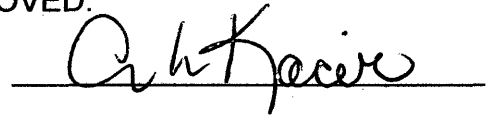
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 6:25 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in cursive script, appearing to read "A. H. Kaciv", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
SEPTEMBER 19, 2017 MINUTES**

The City Council convened the called council meeting at 6:00 p.m., September 19, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Gary Schroeder, Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Keith Schmidt, Marland Mercer, Clint Hille, Barbara Friedrich, Micaela Estrada, Laura Zella, Ryan Wilkerson, Anne Dollery, Ryan Salles, Tim Patek, Earlene Perkins

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

No Public Comments were made.

APPROVAL OF MINUTES

Item #1, 2, 3 and 4, Councilman Schurig made a motion to approve the August 1, 7, 22 and 28 meeting minutes as presented. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-73 Authorizing the Appointments and Reappointments of the Members to the Gonzales Convention and Visitor Bureau. We have four members who have requested to be reappointed to the CVB Board. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-73 Authorizing the Appointments and Reappointments of the Members to the Gonzales Convention and Visitor Bureau naming Holly Danz, Paul Frenzel, Barbara Crozier and dawn O'Donnell. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye"

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-74 Authorizing the reappointment or Appointment of Board Members to the Gonzales

Economic Development Board. In your packet we have three that have requested reappointment to the GEDC Board. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-74 Authorizing the Reappointment of the following members to the Gonzales Economic Development Corporation; Crissy O'Neal, Dewey Smith and Steve Sucher. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-75 Authorizing the Appointment /Reappointment of Members to the Gonzales Golf Course Advisory Board. We have two members that have requested reappointment. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-75 Authorizing the Appointment of Members, Erwin Ckudre and Jon Such to the Gonzales Golf Course Advisory Board. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-76 Authorizing the Appointment /Reappointment of Members to the J.B. Wells Park Advisory Board. Council we have two additions that were added, we have four members that were eligible for reappointment. We have two in our packet and two that were on the dais when you arrived. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-76 Authorizing the Reappointment of Tracy Machart and Kevin LaFleur and the Appointment Sissy Mills and Allison Davis to the J.B. Wells Park Advisory Board. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #10, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-78 Authorizing the Appointment /Reappointment of Members to the Gonzales Mainstreet Advisory Board. We have five members who have requested to be reappointed. Mayor Kacir asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-78 Authorizing the Reappointment of Members to the Gonzales Mainstreet Advisory Board, those members being Carlos Camarillo, Sherri Schellenberg, Debbie Toliver, and Shelli Van Kirk, and Appointing Suzanne Zaitz. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-77 Authorizing the Appointment /Reappointment of Members to the Gonzales Library Board. We have four members who have requested to be reappointed and one application. The Mayor asked for a motion. Councilman Schurig made a motion to

approve Resolution #2017-77 Authorizing the Reappointment Noell Ince, Erwin Ckudre, Martha Jo Whitt and Vicki Frenzel as Members to the Gonzales Library Board. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-79 Authorizing the Appointment /Reappointment of Members to the Planning & Zoning Commission. We have two members that have asked to be reappointed and Tim Gescheidle said he would be willing to serve until a replacement could be appointed. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-79 Authorizing the Appointment /Reappointment of Members to the Planning & Zoning Commission those being Charles Patterson, Roland Martinez and Tim Gescheidle until a replacement can be appointed. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye"

Item #12, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-80 Authorizing the Appointment /Reappointment of Members to the Zoning Board of Adjustment & Sign Control Board. We have four members that have requested to be reappointed. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-80 Authorizing the Reappointment of Members to the Zoning Board of Adjustment & Sign Control Board, that being Kenneth Moore, Vicki Frenzel, Ray Raley and Manuel Pena, Jr. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye"

Item #13, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-81 Establishing a Three Year Term for the Council Appointed Position of Municipal Judge and Authorizing Staff to Advertise a Request for Qualifications for Said Position. Mayor Kacir stated that through consultation with TML Attorney and analysis of our city policies and as further described under section 17.15 of the Municipal Law and Procedures Manual the requirement for Municipal Judge be appointed for a two year term unless a longer term not to exceed four years is established by ordinance. To be transparent and consistent in procedures, concerning council appointed positions which are not defined as City of Gonzales employees, the recommendation is made to define a council appointment period of three years for the Municipal Judge. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-81 Establishing a Three Year Term for the Council Appointed Position of Municipal Judge and Authorizing Staff to Advertise a Request for Qualifications for Said Position. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye"

Item #14, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-82 Establishing a Two Year Term for the Council Appointed Position of City Attorney and Authorizing Staff to Advertise a Request for Qualifications for Said Position. Mayor Kacir stated again, through communications with TML Legal and to be consistent with our City Charter and appointed positions we are requesting that a RFQ be placed for the position of City Attorney. The Mayor asked for a motion. Councilman Blakemore made a motion to approve Resolution #2017-82 Establishing a Two Year Term for the Council Appointed Position of City Attorney and Authorizing Staff to Advertise a Request for Qualifications for Said Position. Councilman O'Neal seconded the motion. The Mayor asked if there was any further discussion. Councilman Schroeder asked this mirrors what we have just done with the Judge. Mayor Kacir stated yes it does. Councilman Schroeder stated that the question he has is that it says we can go up to a four year term with the Judge, but it doesn't have that as an option for the Attorney? Mayor Kacir stated correct, the City Attorney falls under a different statute, so that particular term is not outlined in the Local Government Code, it is for the Municipal Judge. In order to be consistent and compliant in accordance with TML recommendation we do all council appointed positions in the like, so we are transparent and we advertise those on a regular basis. We are suggesting a two year term for City Attorney; you could certainly name a longer term. We opted to stagger those terms so you're not turning over at the same time. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye

Item #15, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-83 Authorizing the City Attorney to Execute the Dismissal Documents for Cause No. 26565 the State of Texas, Patricia Bennett and Gloria Knight VS City of Gonzales, Texas. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-83 Authorizing the City Attorney to Execute the Dismissal Documents for Cause No. 26565 the State of Texas, Patricia Bennett and Gloria Knight VS City of Gonzales, Texas. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye

Item #16, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-84 Ratifying the Property Tax Revenue Increase Reflected in the Fiscal Year 2017-2018 Budget in Accordance with Section 102.007 (C) of the Texas Local Government Code. Procedural the property tax requires ratifying prior to adopting the increase. The Mayor asked for a motion. Councilman Blakemore made a motion to approve Resolution #2017-84 Ratifying the Property Tax Revenue Increase Reflected in the Fiscal Year 2017-2018 Budget in Accordance with Section 102.007 (C) of the Texas Local Government Code. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig, and the Mayor all voted "aye.

ORDINANCES

Item #17, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-10 Approving the Proposed 2017-2018 Operating Budget for the City of Gonzales and the Gonzales Economic Development Corporation for the Fiscal Year Beginning October 1, 2017 and ending September 30, 2018 and Appropriating and Allocating the Funds for Said Budget, Renewing the City's Financial Policy, Investment Policy, and Budget Contingency Plan. Mayor Kacir asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-10 Approving the Proposed 2017-2018 Operating Budget for the City of Gonzales and the Gonzales Economic Development Corporation for the Fiscal Year Beginning October 1, 2017 and ending September 30, 2018 and Appropriating and Allocating the Funds for Said Budget, Renewing the City's Financial Policy, Investment Policy, and Budget Contingency Plan. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #18, Mayor Kacir read discuss and consider Ordinance 2017-11 Approving the 2017 Ad Valorem Tax Rate and Levy of Assessed valuation of all taxable property within the corporate limits of the city of Gonzales, Texas. Council, you have adopted a proposed tax rate of \$.0275. At this time we will call for a motion to adopt the ad valorem tax rate and levy. Approving the 2017 Tax Levy. The Mayor asked for a motion. Councilman O'Neal made a motion to adopt ordinance 2017-11 approving the 2017 Ad Valorem Tax Rate and Levy of Assessed Valuation of all taxable property within the corporate city limits of the City of Gonzales, Texas. Providing a severability clause and establishing an effective date of today. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilmen Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

Item #19, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-12 Adopting Solid Waste Disposal Fees for Dumpsters Located at the Public Works Department. Mayor Kacir stated we had discussion on this on prior agendas. We are proposing the fee schedule that is in you packet which is \$25.00 for a truck, and \$200.00 for a 16 foot trailer. We would operate those for utilization on Wednesdays. This would save the City about \$106k at a break-even point on the dumpsters. As where we were spending an additional \$106k in expenditures, this would bring us to a break-even. There's not really a profit motion at all. Mayor Kacir asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-12 Adopting Solid Waste Disposal Fees for Dumpsters Located at the Public Works Department. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

EXECUTIVE SESSION

Item #20, The Mayor asked for a motion to move into executive session. At 6:30 p.m.

Councilman O'Neal made a motion to move into Executive Session as Authorized by Government Code §551.086; Certain Public Power Utilities: Competitive Matters. Closed Meeting. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION


At 6:50 p.m. the Council returned to Open Session.

Item #15, The Mayor asked for a motion resulting from Executive Session.

No motion was made.

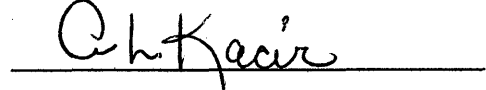
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 6:51 p.m.

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Kristina Vega, City Secretary

APPROVED:

A handwritten signature in black ink, appearing to read "A. H. Kacir", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
SEPTEMBER 29, 2017 MINUTES**

The City Council convened the called council meeting at 6:00 p.m., September 29, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Other members absent: Councilman Gary Schroeder

Others Present: City Secretary- Kristina Vega

Others absent: City Manager- Sean Lally, City Attorney-Jackie Williamson

Staff Present: Genora Young

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

No Public Comments were made.

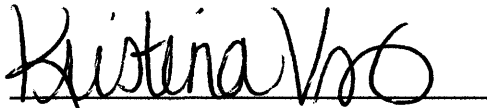
ORDINANCES

Item #1, Mayor Kacir read discuss and consider Ordinance 2017-13 Approving the 2017 Ad Valorem Tax Rate and Levy of Assessed Valuation of All Taxable Property Within the Corporate Limits of the City of Gonzales, Texas. Council, at this time I will call for a motion in which to adopt the 2017 tax rate. Councilman O'Neal stated "Madam Mayor, I move that the property tax rate be increased by the adoption of a tax rate of \$0.2750 which is effectively a 59.05 percent increase in the tax rate and adopt Ordinance 2017-13 Approving the 2017 Ad Valorem Tax Rate and Levy of Assessed Valuation of all Taxable Property Within the Corporate City Limits of the City of Gonzales, Texas. Providing a severability clause and establishing an effective date. Councilman Schurig seconded the motion. The Mayor clarified that we have a motion in which to approve a property tax rate to be increased by the adoption of the tax rate of \$.2750 or twenty-seven and one-half cents which is effectively a 59.05 percent rate which exceeds the current effective tax rate, that percentage increase in the tax rate. The Mayor asked if there was any further discussion. The Mayor added for discussion, I applaud the council for their hard work and dedication during the budget process, adopting the 2017-2018 fiscal year. We have demonstrated financial management, we have reduced expenditures from the current fiscal year by about \$2 million, and with that we actually

added \$1.2 million in new capital expenditures of which will improve the delivery of services to our citizenry. Again, I applaud the council and believe that we have prepared a budget which demonstrates the vision for the municipality. The Mayor asked for a roll call vote. Councilmen Blakemore, O'Neal, Schurig and the Mayor all voted "aye".

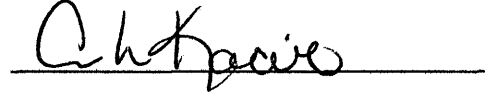
ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schurig made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 6:06 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

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**CITY OF GONZALES
CITY COUNCIL MEETING
OCTOBER 3, 2017 MINUTES**

The City Council convened the council meeting at 6:01 p.m., October 3, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

The following members were absent: Gary Schroeder

Others Present: City Manager- Sean Lally, City Attorney-Jackie Williamson, City Secretary- Kristina Vega

Staff Present: Tim Crow, Genora Young, Tim Patek, Barbara Friedrich, Micaela Estrada, Laura Zella, Anne Dollery

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

Prior to calling for public comments the Mayor introduced Representative John Cyrier, and allowed him to address the citizens.

Representative Cyrier stated he has been a bit busy this year. Seven out of his nine months has been at the State Capitol with the Regular Session, the 85th Session, and the Special Session which was a full month. Our time has been taken up with legislating at the State Capitol. I wanted to let you know that I am obviously here to help you all.

PUBLIC COMMENTS

Charlie Martin, Sarah Dewitt Drive, expressed his gratitude with the Gonzales Police Department on a job well done.

Chief Tim Crow just added a quick reminder to everyone about the National Night Out at the Thrive Center until 7:30 p.m.

PUBLIC HEARING

Item #1, Public Hearing Regarding the Texas Disposal System Franchise Fee
Item #2, Public Hearing Regarding the Brush Collection Rates

No one signed up and no comments were made.

PRESENTATION

Item #3, Richard Gibbens of Johnson Controls conducted a brief presentation regarding energy savings.

APPROVAL OF MINUTES

Item #4, 5 and 6, Councilman Schurig made a motion to approve the September 5th, September 19th and September 29th meeting minutes as presented. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-85 Authorizing the Regular Scheduled City Council Meeting for November 7, 2017 to be Changed to November 14, 2017. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-85 Authorizing the Regular Scheduled City Council Meeting for November 7, 2017 to be Changed to November 14, 2017. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-86 Accepting the Proposals and Awarding the Contract for the JB Wells Park Concession Stand. Mayor Kacir stated there were three proposals submitted for review based on the Request for Proposals that was posted. We have a staff recommendation for Guardian Grill, LLC, Mitchell Bennett based in a bid amount of \$800.00 per month in rental fee. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-86 Accepting the Proposals and Awarding the Contract for the JB Wells Park Concession Stand to Guardian Grill, LLC., Mitchell Bennett and the Contract will take effect on or before November 1, 2017. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-87 Declaring Certain City Property Surplus and Authorizing the Sale of Said Property. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-87 Declaring Certain City Property Surplus and Authorizing the Sale of Said Property. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye."

Item #10, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-88 Approving the Small Business Incentive Grant Application by Chris Espinosa DBA Moonwalk rentals, in the Amount of \$3,300 for the Purchase of Bouncy Houses and Water Slides. The Mayor asked for a motion. Councilman O'Neal made a motion to

approve Resolution #2017-88 Approving the Small Business Incentive Grant Application by Chris Espinosa DBA Moonwalk rentals, in the Amount of \$3,300 for the Purchase of Bouncy Houses and Water Slides. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-89 Authorizing the City Manager to Execute a 31 Year License Agreement Between Kenneth J. Fougerat and Karen K. Fougerat(Licensee) and the City of Gonzales(Licensors). The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-89 Authorizing the City Manager to Execute a 31 Year License Agreement Between Kenneth J. Fougerat and Karen K. Fougerat(Licensee) and the City of Gonzales(Licensors). Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #12, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-90 Authorizing the City Manager to Enter Into a Purchase Agreement with Bandit Industries for the Purchase of one Intimidator 21XP Tow Behind Chipper. In your packet we have specs on the equipment. This was approved in our budget in the amount of \$172,144. For clarification and transparency we are asking council to take action approving this particular purchase at \$104,996.88. Staff did look at other models, and this was purchased through the BuyBoard. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-90 Authorizing the City Manager to Enter Into a Purchase Agreement with Bandit Industries for the Purchase of one Intimidator 21XP Tow Behind Chipper. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

ORDINANCES

Item #13, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-14 Amending Division 3, Section 6.121, Paragraph (e) Charges for Brush Collection. Mayor Kacir stated as we discussed at several of our workshops, we are proposing a monthly fee increase to residential customers. Going from \$2.78 per month to \$5.00 for our brush pick up fee, and then \$20.00 per every additional after the first fifteen minutes. The Mayor asked for a motion. Councilman Blakemore made a motion to approve Ordinance #2017-14 Amending Division 3, Section 6.121, Paragraph (e) Charges for Brush Collection. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #14, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-15 Amending Chapter 14, Zoning of the City of Gonzales Code of Ordinances, by Removing Section 14.903 (b) Processing; Fee. Mayor Kacir stated staff and I had reviewed this item and after further analysis staff has recommended the fee be reduced from \$500.00 to \$300.00, and to remove the refund on the application. To comply with open meetings act we would only be taking action on removing the refund for the application, and come back next month and consider the \$300.00 fee. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to postpone Ordinance #2017-15 Amending Chapter 14, Zoning of the City of Gonzales Code of Ordinances, by Removing Section 14.903 (b) Processing; Fee until the November agenda. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #15, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-16 Amending Chapter 8.604 Alcohol Beverage Permits and Fees of the City of Gonzales Code of Ordinances. The Texas Alcoholic Beverage Code states that the city may levy and collect a fee not to exceed one-half of the state permit issued within the city limits. Up until 2014, the city always charged one-half of the state permit fee to the permit holders. However, in 2014 city staff discovered that the city had not formally adopted an ordinance stating that we will charge one-half of that permit fee. To promote transparency staff presented the ordinance to council to be adopted formally and at that time council opted to change the amount to one-quarter of the amount of the state issued permit. When this was done, it created issues with record keeping since most businesses are aware of the one-half amount of the permit fee and often send payment without the city invoicing Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-16 Amending Chapter 8.604 Alcohol Beverage Permits and Fees of the City of Gonzales Code of Ordinances. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #16, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-17 Establishing an Electronic Payment Processing Fee on all Debit and Credit Card Transactions Processed for any Fee, Fine, Court Cost, or Other Charge by Any Method and Providing for Deposit of Processing Fees and Service Charges in the City's General Fund. Mayor Kacir stated you have in your brief staff estimated total credit card fees that the city absorbed last year was approximately \$33k, that constituted over 12k transactions. Local Government Code Chapter 132.002, 132.007 authorizes a municipality to accept payment by credit card for a fee, fine, court cost or other charges and to collect a fee for processing the payment of the card as long as it does not exceed five percent of the total fee and is reasonably related to the expense incurred by the municipal official. We are basically looking at a break-even point. If we base the fees

that the city incurred last year accepting credit card payments, we would need to enact a 1.5 percent service charge to recapture those costs. This is not a fee that is imposed to our residents; obviously they always have the option to pay with cash, check or money order. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-17 Establishing an Electronic Payment Processing Fee on all Debit and Credit Card Transactions Processed for any Fee, Fine, Court Cost, or Other Charge by Any Method and Providing for Deposit of Processing Fees and Service Charges in the City's General Fund. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

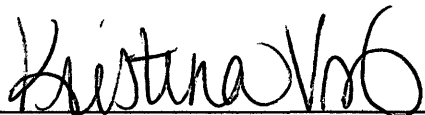
Item #17, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-18 Amending Section 9.4 of the Texas Disposal Systems, Inc. Contract for Municipal Solid Waste Collection and Disposal Services dated February 15, 2015 by Increasing Franchise Fees Paid to the City. Mayor Kacir stated as discussed in our workshops and prior called meetings, we did through our franchise contract with our vendor, Gonzales was very low in our peer group. We looked at phasing in our increase, we are looking at a \$.64 increase on residential billings and in aggregate we are looking at \$104k annual increase in revenues. We would have a 6 to 10 percent on residential, 6 to 12 percent on commercial accounts, 6 to 15 percent on the direct billed accounts. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-18 Amending Section 9.4 of the Texas Disposal Systems, Inc. Contract for Municipal Solid Waste Collection and Disposal Services dated February 15, 2015 by Increasing Franchise Fees Paid to the City. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #18, Mayor Kacir stated that the Financial Report is available for review and asked the Council if they had any questions.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 7:12 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CALLED JOINT CITY COUNCIL MEETING
AND
GONZALES ECONOMIC DEVELOPMENT CORPORATION MEETING
OCTOBER 10, 2017 MINUTES**

The City Council convened the Called Joint City Council and Gonzales Economic Development Corporation Meeting at 6:00 p.m., October 10, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Gary Schroeder, Dan Blakemore and Bobby O'Neal.

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

The Gonzales Economic Development Corporation convened the Called Joint City Council and Gonzales Economic Development Corporation Meeting at 6:00 p.m., October 10, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas

The following Economic Development Corporation members were present constituting a quorum: Chairperson Crissy O'Neal, James Ryan, Keith Brown, Dewey Smith and Tommy Cox

Members Absent: Steve Sucher

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Others Absent: City Attorney-Jackie Williamson

Staff Present: Genora Young

Mayor Kacir and Chairperson O'Neal stated that they would like to move the Public Hearing to the front of the agenda if there are no objections.

PUBLIC HEARING

Item #4 GEDC will conduct a public hearing on Performance Agreement by and between BYK USA, Inc., and the Gonzales Economic Development Corporation.

Jon Such, Product Manager with BYK USA, Inc., stated he knows that if the investment is made here there is a potential investment from BYK somewhere between \$50 to \$75 million, and this is a great opportunity for Gonzales. It will lead to business growth which means existing jobs will be more secure, potentially have new jobs added and will be an increase in local economic activity, and will definitely increase BYK's taxable

property value. Currently BYK's appraised value is \$21.9 million. This is a large percentage of the overall appraised value of Gonzales County. While we are not sure what the value of any new property would be once investments are made, there is no doubt that BYK's property will greatly increase. This represents nothing but a positive outcome for all entities in Gonzales County, and if the investment is made here, it will be fantastic compared to the other side if you didn't make any investment and you didn't have any growth. So we ask of you to approve these resolutions tonight and support this great opportunity for Gonzales.

Michael Camden, stated that I have worked with Genora Young for several months on putting together these proposals that you are going to look at and consider this evening. I just want to reemphasize what Jon had said. I work in Economic Development all throughout the state and to bring that amount of investment to Gonzales would be a huge impact. It is a substantial investment and one thing to keep in mind is the agreements being considered tonight are all ten year agreements and most of the investment will be valued at a 20 to 25 year economic life and that is just for the big machinery and equipment, and a lot of it will be real property that will be on your tax rolls until it is not in operation. It is very important that the community supports this project. We have worked for other jurisdictions in the area, with the county and the hospital district and the support that is provided is really going to allow the local plant team to bring the best case forward for this investment to come to this property.

RESOLUTION

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-91 Authorizing the City to Provide for the Legal Defense of City Council Members who are named in their Official Capacities in Litigation Filed Against the City. Mayor Kacir stated in your brief it is noted that through analysis of our City Charter and our policies it was revealed that Council is not bonded under Section 3.12 of the City Charter. We are asking you to consider naming an amount in which to bond individual Council members and to procure a bond as required by law. Furthermore, the Council will consider naming the entity the City of Gonzales financially responsible for any legal action individually while acting in their official capacity. I will make note that members are currently named under the errors & omissions clause for directors and officers of our policy. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-91 Authorizing the City to Provide for the Legal Defense of City Council Members who are named in their Official Capacities in Litigation Filed Against the City and Authorize Staff to Purchase Fidelity Bonds in an Amount not to Exceed \$250k as Recommended by the Texas Municipal League. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

EXECUTIVE SESSION

Item #2, The Mayor asked for a motion to move into the joint executive session. At 6:15 p.m. Councilman O'Neal made a motion to move into the Joint Executive Session with GEDC as Authorized by Government Code Section he City Council of the City of Gonzales, Texas, and the Gonzales Economic Development Corporation will hold a closed Executive Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in: Sections 551.071 and 551.087 to seek legal advice from its attorney and to deliberate commercial or financial information the City and GEDC has received from a business prospect, and to deliberate the offer of a financial or other incentive to a business prospect; Performance Agreement by and between the Gonzales EDC and BYK USA, Inc.; Chapter 380 Economic Development Program and Agreement by and Between the City and BYK USA, Inc.; Chapter 380 Economic Development Program and Agreement for electrical service by and between the City and BYK USA, Inc.; Chapter 381 Economic Development Program Agreement with BYK USA, Inc. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman Blakemore, O'Neal, Schurig, Schroeder and the Mayor all voted "aye".

Chairperson O'Neal asked for a motion to move into the joint executive session. At 6:15 p.m. Board member Keith Brown made a motion to move into the Joint Executive Session with City Council as Authorized by Section he City Council of the City of Gonzales, Texas, and the Gonzales Economic Development Corporation will hold a closed Executive Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in: Sections 551.071 and 551.087 to seek legal advice from its attorney and to deliberate commercial or financial information the City and GEDC has received from a business prospect, and to deliberate the offer of a financial or other incentive to a business prospect; Performance Agreement by and between the Gonzales EDC and BYK USA, Inc.; Chapter 380 Economic Development Program and Agreement by and Between the City and BYK USA, Inc.; Chapter 380 Economic Development Program and Agreement for electrical service by and between the City and BYK USA, Inc.; Chapter 381 Economic Development Program Agreement with BYK USA, Inc. Board member James Ryan seconded the motion. Chairperson O'Neal asked for a roll call vote. Board member Ryan, Smith, Cox, Brown and Chairperson O'Neal all voted "aye".

RETURN TO OPEN SESSION

At 7:13 p.m. the City Council and GEDC returned to Open Session.

GEDC ACTION ITEMS

Item #5, Chairperson O'Neal read Consideration and action to approve a Performance Agreement by and between the Gonzales EDC and BYK USA, Inc. Chairperson O'Neal asked for a motion. Board member Tommy Cox made a motion to approve

Performance Agreement by and between the Gonzales EDC and BYK USA, Inc. Board member James Ryan seconded the motion. Chairperson O'Neal asked for a roll call vote. Board member Ryan, Smith, Cox, Brown and Chairperson O'Neal all voted "aye".

Item #6, Chairperson O'Neal read Consideration and action on Chapter 381 Economic Development Program Agreement by and between Gonzales County and BYK USA, Inc. Chairperson O'Neal asked for a motion. Board member James Ryan made a motion to approve and authorize the President/CEO of GEDC to sign the Chapter 381 Economic Development Program Agreement by and between Gonzales County and BYK USA, Inc. Board member Dewey Smith seconded the motion. Chairperson O'Neal asked for a roll call vote. Board member Ryan, Smith, Cox, Brown and Chairperson O'Neal all voted "aye".

GEDC ADJOURN

Chairperson O'Neal asked for a motion to adjourn. Board member Brown made a motion to adjourn and Board member Cox seconded the motion and the joint meeting with the GEDC adjourned at 7:15 p.m.

OTHER BUSINESS

Item #7, First reading-Discuss and Consider Resolution Approving a Performance Agreement by and between the Gonzales EDC and BYK USA, Inc.

RESOLUTIONS

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-92 Approving a Performance Agreement by and Between the Gonzales Economic Development Corporation and BYK USA, Inc. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-92 Approving a Performance Agreement by and Between the Gonzales Economic Development Corporation and BYK USA, Inc. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

CITY COUNCIL ACTION ITEMS

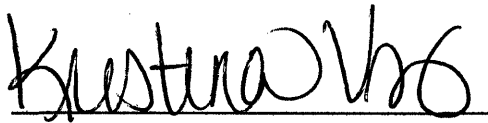
Item #9, Mayor, Connie Kacir read Consideration and Action on a Chapter 380 Economic Development Program and Agreement by and Between the City and BYK USA, Inc. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Chapter 380 Economic Development Program and Agreement by and Between the City and BYK USA, Inc. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig and the Mayor all voted "aye".

Item #10, Mayor, Connie Kacir read Consideration and Action on a Chapter 380 Economic Development Program and Agreement by and Between the City and BYK

USA, Inc., for electrical service. The Mayor asked for a motion. Councilman Schurig made a motion to approve Chapter 380 Economic Development Program and Agreement by and Between the City and BYK USA, Inc. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schroeder, Schurig and the Mayor all voted "aye".

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 7:18 p.m.

A handwritten signature in cursive script, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED

A handwritten signature in cursive script, appearing to read "A. H. Kario", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
OCTOBER 24, 2017 MINUTES**

The City Council convened the called council meeting at 4:00 p.m., October 24, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Members absent: Councilman Gary Schroeder

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Others Absent: City Attorney-Jackie Williamson

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

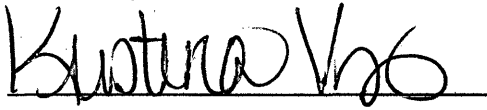
No Public Comments were made.

RESOLUTIONS

Item #1, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-93 Approving the 2018 Insurance Provider for Health, Dental, Vision and Life. Mayor Kacir stated in your packets we have brief summarizing current benefits for our employees. We have been with TML for approximately twenty years. This year with the assistance of Frost, our insurance broker, we were able to find a very competitive product in which we have an A- rated company which is the standard of excellence, that provider being Humana. We have very similar coverage with a decrease to the City and to the employees. TML was looking at a 10% increase to that coverage. In aggregate the City is looking at a savings of approximately \$129,593. However, our priority is on the health coverage and benefits to our employees and with that you can see the comparison that was done on the providers and coverage. We will also have employee savings for employees that are covering spouses and or children. Justin Clark, Vice President of Frost gave the Council an overview of the coverage. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-93 Approving the 2018 Insurance Provider for Health, Dental, Vision and Life Insurance Benefits Naming Humana as that provider and authorizing staff to execute all documents. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, and the Mayor all voted "aye

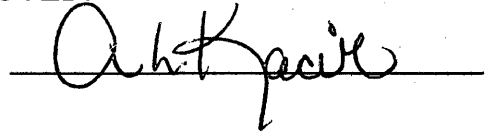
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 4:25 p.m.

A handwritten signature in dark ink, appearing to read "Kristina Vega", written over a horizontal line.

Kristina Vega, City Secretary

APPROVED:

A handwritten signature in dark ink, appearing to read "A. H. K. Garcia", written over a horizontal line.

**CITY OF GONZALES
CALLED CITY COUNCIL MEETING
NOVEMBER 14, 2017 MINUTES**

The City Council convened their regular meeting at 8:34 a.m., November 14, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Members absent: Councilman Gary Schroeder

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

EXECUTIVE SESSION

Item #1, At 8:37 a.m. the Mayor asked for a motion to move into Executive Session as Authorized by Government Code §551.074 Personnel Matters: To Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee(City Attorney Interviews). Councilman O'Neal made a motion to move into Executive Session. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

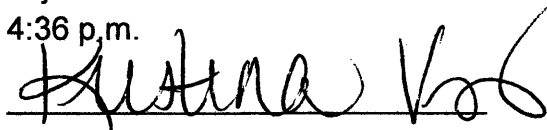
RETURN TO OPEN SESSION

At 4:33 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session as Necessary. Councilman Blakemore made motion that we approve Denton Navarro Rocha Bernal & Zech, P.C. as our City Attorney and Municipal Prosecutor. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

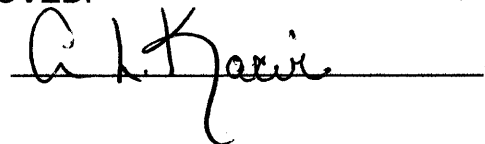
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 4:36 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
NOVEMBER 14, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., November 14, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Gary Schroeder, Dan Blakemore and Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Staff Present: Tim Patek, Laura Zella, Tim Crow, Barbara Friedrich, Clint Hille, Genora Young, Micaela Estrada

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENTS

David Tucey, respectfully requested the City Council approve street closures for the Martin Luther King, Jr. March on January 15, 2018 and invited the Council to attend the March.

Barbara Friedrich, Mainstreet Administrator, expressed her gratitude to city staff and the Mainstreet Advisory Board for all they have done to decorate for the Winterfest that will be held on December 2nd and 3rd, and the other events that Mainstreet hosts. She also invited everyone to attend Winterfest and the Annual Lighted Parade.

PUBLIC HEARING

Item #1, Public Hearing Concerning an Ordinance to Participate in the Texas Enterprise Zone Program and to Nominate BYK USA, Inc., 1212 Church Street, Gonzales, TX 78629, to the Office of the Governor Economic Development & Tourism as a Half Enterprise Project Designation. The Hearing will Include Discussion of any Tax or other Incentive which might be available to the Half Enterprise Zone Program Designation Under Existing City of Gonzales Policy.

Mayor Kacir stated the Texas Enterprise Zone is an Economic Development tool for local communities to partner with the State of Texas and to encourage job creation, capital improvement in economically distressed areas of the state. An Enterprise Zone is a census track blocked group that has twenty percent or more in poverty rate based upon the most recent census. An Enterprise Zone Program encourages and assists

Texas companies in creating or retaining jobs and by making sizeable capital investments in their facilities with a refund of state sales tax and use taxes, based on jobs created and onsite capital improvements. Onsite capital improvements typically include facility and technology upgrades. In most cases the program results in a retention in a company's presence in the city.

No other comments were made.

The Mayor then closed the Public Hearing.

APPROVAL OF MINUTES

Item #2, 3 and 4, The Mayor stated you have three sets of minutes, October 3rd, October 10th, and October 24th. I would like to combine all of these into one action item, but I would like to mention that in the motion the one correction that I would note, is we need to add Councilman Schroeder as taking action on the October 10th meeting on Item #9, and #10. His name was inadvertently left off. Councilman O'Neal made a motion to approve minutes of October 3rd, October 10th, and October 24th, meetings with the corrections as suggested. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #5, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-94 Authorizing the City Manager to Execute a Right of Way Easement with Guadalupe Valley Electric Cooperative, Inc. for Property Located on East Avenue/FM 532. We have the field notes describing the legal description of the thirty foot easement. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-94 Authorizing the City Manager to Execute a Right of Way Easement with Guadalupe Valley Electric Cooperative, Inc. for Property Located on East Avenue/FM 532. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #6, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-95 Authorizing the City Manager to Execute an Amendment to Guadalupe Valley Electric Cooperative, Inc.'s Electric Line Transmission Easement Located on Parcel Number 738. Council we have a survey and field note description which would allow GVEC to add fiber optic cable to the existing transmission line for GVEC. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-95 Authorizing the City Manager to Execute an Amendment to Guadalupe Valley Electric Cooperative, Inc.'s Electric Line Transmission Easement Located on Parcel Number 738. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #7, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-96 Authorizing the City Manager to Enter Into an Agreement with Gonzales Dog Adoptions. The City Manager, myself and staff met to discuss the current contract. I would like to ask that the Council approve expending the annual amount of \$27,600 as stated in the contract and that we direct our city manager to further the negotiations and finalizing the contract terms. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-96 Authorizing the City Manager to Enter Into an Agreement with Gonzales Dog Adoptions in the amount of \$27,600 and to direct the City Manager to further negotiations and finalize the contract. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #8, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-97 Authorizing the City Manager to Enter Into an Agreement with Friends of Gonzales Animal Shelter. Council, we are asking for the same motion, that we approve the contract amount of \$27,600 annually and that we authorize the City Manager to further negotiate the terms of the contract. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-97 Authorizing the City Manager to Enter Into an Agreement with Friends of Gonzales Animal Shelter and authorizing the City Manager to further negotiate the contract and finalize it in the amount of \$27,600. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #9, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-98 Authorizing the Payment of Longevity Pay for Fiscal Year 2017-2018. Council we adopted in our budget to authorize the Longevity Pay as has been done in prior years. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-98 Authorizing the Payment of Longevity Pay for Fiscal Year 2017-2018. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #10, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-99 Approving the 2018 City of Gonzales Holiday Schedule. We have adopted the twelve Holidays and one Floating Holiday as has been standard in the past. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-99 Approving the 2018 City of Gonzales Holiday Schedule. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #11, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-100 Approving Gonzales Main Street's Request for the Use of Confederate Square, Sale and Consumption of Alcoholic Beverages and Designated Street Closures for Santa's

Market and the Annual Lighted Christmas Parade on December 2, 2017. Just a point of information, I pulled the ordinance, if it is Council's pleasure to approve the sale of alcoholic beverages, we do need to state the date, location and the time. The date would be December 2nd, the time would be twelve noon to 10 p.m., and the location would be Confederate Square. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-100 Approving Gonzales Main Street's Request for the Use of Confederate Square, Sale and Consumption of Alcoholic Beverages and Designated Street Closures for Santa's Market and the Annual Lighted Christmas Parade on December 2, 2017, the hours for consumption would be from twelve noon to 10 p.m. located at the Confederate Square. Councilman Schurig seconded the motion. Councilman O'Neal asked if the alcoholic beverage containers had to be metal, no glass correct? Councilman Schurig stated there are no glass containers during Come & Take It. Mayor Kacir stated that she did not remember reading it in the ordinance; would you want to make that as an amendment? Councilman Schroeder made an amendment to his motion to include that glass containers be prohibited from the festivities. Councilman Blakemore seconded the amendment. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #12, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-101 Authorizing the Appointment of a Member to the Gonzales Convention and Visitor Bureau. After the advertising the position in the paper of record in August, we had one application from Suzanne Sexton. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-101 Authorizing the Appointment of Suzanne Sexton to the Gonzales Convention and Visitor Bureau. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #13, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-102 Authorizing the Appointment of a Member to the Main Street Advisory Board. Again, after advertising this position in our paper of record, we has one application. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-102 Authorizing the Appointment of Karen Jacobs to the Main Street Advisory Board. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #14, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-103 Authorizing the Appointment of a Member to the Gonzales Economic Development Corporation. Again, after advertising the position, on October 12th we had an application received from Gerri Lawing to serve on the GEDC board. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-103 Authorizing the Appointment of Gerri Lawing to the Gonzales Economic Development

Corporation. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #15, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-104 Authorizing the Regular Scheduled City Council Meeting for January 2, 2018 to be Changed to January 9, 2018, due to the fact that it follows a holiday. The Mayor asked for a motion. Councilman Schroeder made a motion to approve Resolution #2017-104 Authorizing the Regular Scheduled City Council Meeting for January 2, 2018 to be Changed to January 9, 2018. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #16, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-105 Authorizing the Extension of the Award Date for the Request for Proposals for the Operation of the Gonzales Visitor Information Center Until December 5, 2017. Staff has requested additional time to meet with the applicant and move this to our December 5th meeting. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-105 Authorizing the Extension of the Award Date for the Request for Proposals for the Operation of the Gonzales Visitor Information Center Until December 5, 2017. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Schurig, Schroeder and the Mayor all voted "aye." Councilman Blakemore voted "nay".

Item #17, Mayor, Connie Kacir read Discuss and Consider Resolution #2017-106 Authorizing the City Manager to Execute a Right of Way Easement with William B. Glass, Jr. and Celia Glass. It was noted by the surveyor that there needed to be a Right of Way Easement to the property, allowing ingress and egress into the Glass property. You have a survey in your packet for review. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-106 Authorizing the City Manager to Execute a Right of Way Easement with William B. Glass, Jr. and Celia Glass. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

ORDINANCES

Item #18, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-19 Granting to One Gas, Ince. a Fifteen Year Non-Exclusive Franchise Agreement to Install, Operate and Maintain a Gas Distribution System for the Sale of Gas to Customers and the Public Generally. This is our first reading for the Franchise Agreement; our second reading will be read at the regular Council Meeting on December 5, 2017. As required, public utilities shall read at two separate regular

meetings of the City Council and shall not be finally passed until the 30 days after the first reading and no such ordinance shall take effect until 30 days after the final passage. Larry Graham, with Texas Gas Service introduced himself and expressed that he and Terry Lane, Operations Manager is here to answer any questions that anyone may have. Mayor Kacir asked if the Council had any questions in regards to the franchise agreement or the terms that we have been negotiating with Mr. Graham.

Item #19, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-20 Amending Section 9.04 of the Texas Disposal Systems, Inc. Contract for Municipal Solid Waste Collection and Disposal Services Dated February 15, 2015 by Increasing Franchise Fees Paid to the City. This is our second reading, and we will take action at this time. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-20 Amending Section 9.04 of the Texas Disposal Systems, Inc. Contract for Municipal Solid Waste Collection and Disposal Services Dated February 15, 2015 by Increasing Franchise Fees Paid to the City. Councilman Blakemore seconded the motion. The Mayor noted that the change in fees will bring in approximately \$104k increase revenue to the City of Gonzales. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

City Secretary, Kristina Vega stated that Mr. Graham just approached and mentioned that there was no motion on the previous item. Councilman O'Neal stated it is the first reading. Ms. Vega stated correct, however previously council has taken action on the first reading and the second reading. He brought it to my attention; therefore, I wanted to bring it to yours as well.

Item #18, Mayor, Connie Kacir stated, procedurally I do not think it is required to take action on the first reading. I will go back to read that agenda item. Discuss and Consider Ordinance #2017-19 Granting to One Gas, Inc. a Fifteen Year Non-Exclusive Franchise Agreement to Install, Operate and Maintain a Gas Distribution System for the Sale of Gas to Customers and the Public Generally. This is the first reading, and I will call to accept those terms and accept this as the first reading. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-19 Granting to One Gas, Inc. a Fifteen Year Non-Exclusive Franchise Agreement to Install, Operate and Maintain a Gas Distribution System for the Sale of Gas to Customers and the Public Generally-First Reading. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #20, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-21 Amending Chapter 14. Zoning of the City of Gonzales Code of Ordinances, by Amending 14.703 (a) and 14.903 (a) Processing; Fee and Removing Section 14.903

(b). Council, we have presented for your review the average tangible cost is approximately \$275, which does not include the time that it takes staff to prepare the information. Staff is requesting we amend the zoning fee from \$500 to \$300, and remove 14.903 (b) to cut down on unnecessary costs. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-21 Amending Chapter 14. Zoning of the City of Gonzales Code of Ordinances, by Amending 14.703 (a) and 14.903 (a) Processing; Fee and Removing Section 14.903 (b). Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #21, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-22 Adopting a Budget Amendment Reducing Payroll Expenses in the General Fund. The Mayor asked for a motion to move this item to the December meeting to add verbiage necessary to act on the ordinance. I will state for the record, that Council has saved \$216,234.57 in overhead and decreased payroll. This is a direct result of implementing the Public Works Director and better utilization of our staff. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to move Ordinance #2017-22 Adopting a Budget Amendment Reducing Payroll Expenses in the General Fund to the December agenda. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #22, Mayor, Connie Kacir read Discuss and Consider Ordinance #2017-23 Authorizing the City's Participation in the Texas Enterprise Zone Program, Nominating BYK USA, Inc. to the Office of the Governor Economic Development and Tourism Through the Economic Development Bank as a Half Enterprise Project, Providing and Effective Date and Designating the City Manager As Liaison for Communication with the Interested Parties. Mayor Kacir stated that there are representatives here from BYK, and asked if there was anything that they would like to add. Michael Camden expressed there is nothing to add, but appreciate all of the consideration. It has been a long thorough process and hope that the investment is made in Gonzales. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-23 Authorizing the City's Participation in the Texas Enterprise Zone Program Pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. By Providing Potential Local Incentives for the Investment of Private Resources in Productive Business Enterprises Located in Areas of the City or its Extra-Territorial Jurisdiction; Establishing a Severability Clause; and Providing an Effective Date. This Ordinance Nominates BYK USA, Inc. ("BYK") to the Office of the Governor Economic Development & Tourism ("EDT") Through the Economic Development Bank ("Bank") as a Half Enterprise Project ("Project"), and Designates the City Manager as the Liaison for Communication with Interested Parties. Councilman Blakemore seconded the motion.

The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #23, City Manager Report, Sean Lally presented to the City Council the accomplishments that staff has made in the month of October.

Item #24, Mayor Kacir stated that the Financial and Quarterly Investment Report is available for review and asked the Council if they had any questions.

EXECUTIVE SESSION

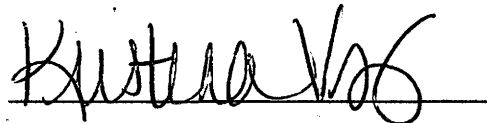
Item #25, Executive Session as Authorized by Government Code §551.074 Personnel Matters: to Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee (City Attorney)

Council did not move into closed session.

Mayor Kacir stated Council did take action at a previous meeting this afternoon. Council action appointed Denton Navarro Rocha Bernal & Zech to perform the duties of City Attorney and Municipal Prosecutor. The City of Gonzales will be represented by Charles Zech as the designated supervising attorney with the Lead Attorneys being T. Daniel Santee and Habib Erkan, Jr. and other additional attorneys providing services as needed. I would ask that we would set the date that the services will initiate. Mayor Kacir asked for a motion. Councilman Blakemore made a motion to approve the appointment of Denton Navarro as our City Attorneys and Prosecutors, effective date will be 11/16/2017. Councilman O'Neal seconded the motion. Mayor Kacir asked if there was further discussion, and if no further discussion asked for a final vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye". Councilman Schroeder voted "nay".

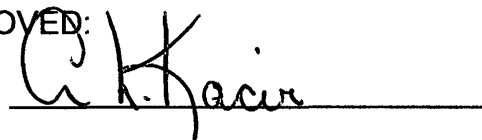
ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Blakemore seconded the motion and the meeting adjourned at 6:52 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
DECEMBER 5, 2017 MINUTES**

The City Council convened the council meeting at 6:00 p.m., December 5, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Gary Schroeder, Dan Blakemore and Bobby O'Neal.

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega

Staff Present: Clint Hille, Genora Young, Barbara Friedrich, Tim Crow, Keith Schmidt, Laura Zella

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

HEARING OF RESIDENTS

Steve Hendershot, stated, "I have a couple of items I would like to discuss a little bit. One was the event that we had this past weekend, the Christmas Parade, was very a wonderful event, and I saw so many people who enjoyed it. It was so very well organized. One other item that is a personal interest to me, I noticed that we don't have our usual City Attorney here tonight, and I understand that we have made a change and I don't know who the change is, and I was hoping maybe through the newspaper or whatever, we could have an announcement as to who our City Attorney is now and where they office, their phone number or whatever if we happen to need to get ahold to them for whatever reason and stuff, I am unaware of how we would go about that, so I would appreciate any help on that. The third item I want to speak on started back in September the 19th I think, and that was the night that the City Council had a meeting and they set the tax rate of .275 for our ad valorem taxes. We have a group of people, roughly plus or minus 600 registered voters here in town who would like the opportunity to vote on the issue of how much the taxes go up. So tonight, I will present to the City Secretary a petition of recall on the tax rate. City Secretary, there are the signed signatures and the petition forms. We look forward to the opportunity to get to vote on this issue."

Mayor Kacir, stated, "Mr. Hendershot, in speaking from a matter of fact in policy, your question in regards to our City Attorney, that was published in the newspaper, I don't have the date off the top of my head. The firm is Denton Navarro, and T. Daniel Santee is representing that firm this evening, and he is in our audience tonight."

Mr. Hendershot asked, "Do we have a, where can we reach him here in town?"

Mayor Kacir stated, "Certainly, I am more than glad to share his information with you, it was in the newspaper. They have three offices. They are a premier municipality legal counsel, and they are also designated by TML to represent municipalities all over the state of Texas.

Mr. Hendershot asked, "But do they have an office here in town or a local phone number?"

Mayor Kacir stated, "I do have a phone number and again, I would be more than glad to share that with you after the meeting. In regards to your petition may I ask you a question?"

Mr. Hendershot stated, "Sure."

Mayor Kacir asked, "Do you know the amount of increase in tax revenue that the tax rate will provide."

Mr. Hendershot clarified, "Do I know the amount?" I know the percentage increase as it was figured. I've seen it advertised anywhere from a tax rate increase of 55.45 all the way up to 59.05, I think percent increase. I don't know how y'all figured that though."

Mayor Kacir stated, "It is calculated at 55.46%, in the article that was published in the newspaper, regarding the petition, do you recall the amount of revenues that was stated in that?"

Mr. Hendershot stated, "No, I do not."

Mayor Kacir said, "The article stated the City is supposedly out of funds, yet they hired a Tourism Director at a salary of approximately \$65k. That was \$55k, to the point at hand. That the new tax rate will provide an estimated \$2 million dollars surplus."

Mr. Hendershot asked, "What article did you get that from."

Mayor Kacir stated, "From the paper of record, the Inquirer."

Mr. Hendershot expressed, "I recall attending a meeting one time and you made that statement Mayor."

Mayor Kacir said, "No sir, I said there was an additional \$2 million that this council identified in revenues to be utilized in capital expenditures."

Mr. Hendershot stated, "That's fine, the issue here being is that you have exceeded the tax rate increase and statute allows for the citizens to petition y'all for an election on it, and that's what we are doing tonight."

Mayor Kacir added the final comment, "So the amount of taxes, you said you were not aware of the amount of revenue generated from the increase. That amount was not \$2 million, \$372,652.36."

Mr. Hendershot expresses, "We would like to reduce that somewhat."

APPROVAL OF MINUTES

Item #1 and 2, The Mayor stated you have two sets of minutes, November 14, 2017 Called City Council Meeting Minutes, and I will also ask Council to include the November 14, 2017 Regular City Council Meeting Minutes. The Mayor asked for a motion. Councilman O'Neal made a motion to approve minutes of November 14, 2017 Called City Council Meeting Minutes and the November 14, 2017 Regular City Council Meeting Minutes. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman Schurig, Schroeder, O'Neal, Blakemore and the Mayor all voted "aye".

RESOLUTIONS

Item #3, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Resolution #2017-107 Awarding the Contract for the Gonzales Visitor's Center to the Gonzales Chamber of Commerce & Visitors Center. Council in your packet, we had a copy of the RFP that was posted. As the brief stated, staff and myself did meet with the Chamber and all of the provisions that were outlined in our RFP, the Chamber has more than willingly agreed to uphold, and they would like to uphold and they would like to enter into a contract with the City. The contract again will reflect the RFP; it follows the statutes of the act of the Texas Local Government Code as it relates to the expenditure of funds for hotel/motel taxes, for promoting tourism and the convention and hotel industry as permitted under section 351.101 of the tax code. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-107 Awarding the Contract for the Gonzales Visitor's Center to the Gonzales Chamber of Commerce effective January 1, 2018. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #4, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Resolution #2017-108 Accepting the Communication's Grant Award from the Golden Crescent Regional Planning Commission to the Gonzales Fire Department for the Acquisition of Motorola APX 7000XE Digital Portable Radios. Council, in your packet, the Fire Department applied and was awarded a communications grant from the Golden

Crescent and is funded through the Homeland Security Grant Program in the amount of \$33,987.60 and does not require any matching funds from the city. The purchase of these radios for the Gonzales Fire Department will be invaluable in communicating with first responders throughout the City of Gonzales. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-108 Accepting the Communication's Grant Award from the Golden Crescent Regional Planning Commission to the Gonzales Fire Department for the Acquisition of Motorola APX 7000XE Digital Portable Radios. Councilman Schroeder seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #6, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Resolution #2017-110 Authorizing the Edward's Association to Temporarily Close City Streets to Hold the Annual Martin Luther King, Jr. Parade on January 15, 2018. The Mayor asked for a motion. Councilman Schurig made a motion to approve Resolution #2017-110 Authorizing the Edward's Association to Temporarily Close City Streets to Hold the Annual Martin Luther King, Jr. Parade on January 15, 2018. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye."

Item #5, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Resolution #2017-109 Authorizing the Appointment of a Member to the Gonzales Economic Development Corporation. Council in your packet, your brief discussed we had a resignation from Ms. O'Neal due to her relocating out of the city limits of Gonzales. An application was received from Councilman Blakemore, which is at your seat this evening, agreeing to serve on the board. At this time, this is currently the only application on file. Appointing a councilmember to an Economic Development board is statutorily permissible per the Development Corporation Act as recited in the Texas Local Government Code. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Resolution #2017-109 Authorizing the Appointment of Dan Blakemore to the Gonzales Economic Development Corporation effective today with a term expiring September 30, 2019. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

ORDINANCES

Item #7, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Ordinance #2017-24 Granting One Gas, Inc. a Fifteen (15) Year Non-Exclusive Franchise Agreement to Install, Operate and Maintain a Gas Distribution System for the Sale of Gas to Customers and the Public Generally Served-Second Reading. We took action on this last agenda, highlights and changes to that contract initially, were, increasing the franchise fee from 2-4% and decreasing the term of the contract from a

25 year contract to a 15 year contract. We also added language transferring assignment of the franchise, and added any infrastructure damage while lying or repairing service lines to be provided by the gas company. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-24 Granting One Gas, Inc. a Fifteen (15) Year Non-Exclusive Franchise Agreement to Install, Operate and Maintain a Gas Distribution System for the Sale of Gas to Customers and the Public Generally-Second Reading. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

Item #8, Mayor, Connie Kacir read Discuss, Consider & Possible Action Approving Ordinance #2017-25 Amending Code of Ordinances Chapter 4 Business Regulations, Article 4.500 Taxicabs. Council, in your packet, the City of Gonzales does not currently have regulations that authorize carriages to operate in the city limits without requiring council approval for each and every event. The adoption of this ordinance will allow staff to issue permits to the carriage owners to regulate horse drawn carriages to protect the safety and welfare of both the citizens who utilize the service offered and the horses utilized in providing the service. This is adopted in accordance with the City Charter, the ordinance upholds section 3.07 powers of the City Council to regulate, license and fix the charges or fares made by any person, firm or corporation operating a vehicle of any character carrying passengers for hire or transportation on the public streets or alleys of the city. Furthermore, it upholds the Gonzales city Code of Ordinances Business Regulations, Article Chapter 4.500 Taxicabs. Mayor Kacir asked for a motion. Councilman Schurig made a motion to approve Ordinance #2017-25 Amending Code of Ordinances Chapter 4 Business Regulations, Article 4.500 Taxicabs. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

BOARD/STAFF REPORTS

Item #9, Mayor Kacir stated that the Financial Report for the month of November 2017 is available for review and asked the Council if they had any questions.

Item #10, City Manager Report, Sean Lally presented to the City Council the accomplishments that staff has made in the month of November 2017.

EXECUTIVE SESSION

Item #11, At 6:27 p.m. the Mayor asked for a motion to move into Executive Session Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales will consult in closed session with its attorney to receive legal advice regarding pending or contemplated litigation, a settlement offer, or matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, to include the following matters:

a) Cause No. OTH17-9886, in Re-Estate of J.B. Wells, Jr., Deceased in the County Court of Gonzales County, Texas

b) The Statutory process and legal requirements for calculating and adopting an effective rate and rollback tax rate using maintenance and operations rate calculations and a debt rate calculation

2) Pursuant to Section 551.072 of the Texas Government Code, the City of Gonzales will meet in closed session to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have detrimental effect on the position of the governmental body in negotiations with a third person on the following matters:

a) St. George Street Property

b) Unopened City Streets

3) Pursuant to Section 551.074 of the Texas Government Code, the City of Gonzales will meet in closed session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

a) City Manager's Contract

Councilman O'Neal made a motion to move into Executive Session. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 9:52 p.m. the Council returned to Open Session.

As a point of clarification, during the Hearing of Residents, I want to clarify that the salary that I stated for the Tourism Director is paid at \$50k not \$55k. In addition, point of clarification, the ad that was placed in the Inquirer that publicized the incorrect information of the Tourism salary and incorrect information regarding \$2 million raised in new revenue from the tax rate was an ad that was paid for by the citizens and not a publication of the Gonzales Inquirer.

Item #12, The Mayor asked for a motion resulting from Executive Session as Necessary. Councilman O'Neal made motion on item 2(b) Unopened City Streets, to authorize the City Manager to move forward with negotiations as were presented to the Council and bring back recommendations to the Council at the January meeting. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig, Schroeder and the Mayor all voted "aye".

ADJOURN

The Mayor asked for a motion to adjourn. Councilman Schroeder made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 9:54 p.m.



Kristina Vega, City Secretary

APPROVED:



**CITY OF GONZALES
CITY COUNCIL MEETING
DECEMBER 20, 2017 MINUTES**

The City Council convened the council meeting at 4:02 p.m., December 20, 2017, in the Council Chambers at the Gonzales Municipal Building, 820 St. Joseph Street, Gonzales, Texas.

The following members were present constituting a quorum: Mayor Connie L. Kacir, Councilmen Tommy Schurig, Dan Blakemore and Bobby O'Neal.

Members absent: Gary Schroeder

Others Present: City Manager- Sean Lally, City Secretary- Kristina Vega, City Attorney- T. Daniel Santee

Staff Present: Tim Patek, Anne Dollery, Genora Young, Ryan Salles, Tammy West

Mayor Connie Kacir called the meeting to order, gave the invocation, and cited the Pledge of Allegiance and the Texas Pledge.

HEARING OF RESIDENTS

No comments were made.

EXECUTIVE SESSION

Item #1, At 4:05 p.m. the Mayor asked for a motion to move into Executive Session Pursuant to Section 551.071 of the Texas Government Code, the City of Gonzales will consult in closed session with its attorney to receive legal advice regarding pending or contemplated litigation, a settlement offer, or matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, to include the following matters:

- a) Cause No. OTH17-9886, in Re-Estate of J.B. Wells, Jr., Deceased in the County Court of Gonzales County, Texas
- b) The Statutory process and legal requirements for calculating and adopting an effective and rollback tax rate using a maintenance and operations rate calculation and a debt rate calculation
- c) Update on legal aspects of negotiations to secure resources in the event of an emergency

Councilman Schurig made a motion to move into Executive Session. Councilman O'Neal seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

RETURN TO OPEN SESSION

At 6:09 p.m. the Council returned to Open Session.

Item #2, The Mayor asked for a motion resulting from Executive Session as Necessary. No motion was made.

WORKSHOP ITEM

Item #3, City Attorney, T. Daniel Santee Conducted a Presentation and Discussed Statutory, Budgetary and City Policy Requirements in the Allocation and Adoption of the Tax Rate.

City Attorney, Daniel Santee stated, "Mayor and Council, what I have prepared to run through with Council is an overview of how you got to this point in time where you have a petition for a rollback election, and we came in after you had already adopted your budget and your tax rate, we were retained, after that point in time. I am not going to make any assumptions as to what the Council knows, doesn't know, knew or didn't know when all of that took place. This is tax rate 101 in a sense. We will also cover what your existing rate calculations are, what they should have been, and also what a rollback petition is and what that process looks like. Stop me at any time with questions, or if something is not clear. First of all, I just want to hit on a couple of high points on some definitions because when we talk about a tax rate people often know that when they pay taxes, when they get their tax bill and having done this for quite some time, there is not always a full understanding of where those, who all the taxing entities are, who you are paying what. It goes beyond that, and unless you are at each entity when they do their tax rate adoption, you don't always understand what the components of that tax rate are, because you just get that whole number. Your tax rate is divided into components. The first one we need to understand, what is a maintenance and operations, what is that component of your tax rate? The maintenance and operations is the lawful purpose other than debt service for which a taxing unit may spend property tax revenues. Anything that isn't debt is considered maintenance and operation, and it's often referred to as your M&O, and that is a portion of your rate. There is also the effective maintenance and operations rate, and it too has its own calculation as to how that is determined. Each year, as the council, as your staff prepares the budget, they are trying to establish what tax rate is needed to raise how much revenue to support the budget that this council is going to adopt. Half of the component is whatever the maintenance and operations, what is qualified to fund maintenance and operations. The other part of the component is what is debt? When the tax code talks about current debt it means what is the debt service for the current fiscal year for which you are adopting your budget and setting your tax rate. The debt as you can see the bottom, the definition for debt is very broad, and encompasses everything for which you have some type of obligation payable from your property taxes. The only thing, when you're looking at your tax rate and you're calculating the debt rate portion of that tax rate, we're only including the debt secured by pledge of your property taxes. Your debt service is the total amount expended or to be expended by a taxing unit from property tax revenues to pay principal of an interest on debts or other payments required by contract. So when it talks about required by contract that goes beyond bonds. Most people are aware of certificate of obligations and general

obligations bonds, but your debt service can also include contracts. The City of Gonzales has some of those contracts; they are in the form of capital leases. That's where you are paying for major equipment that the City uses, over time. We are talking about very expensive equipment, like fire engines for example are often done through that program, and that's a program that many cities use. Within that agreement that you have with a capital leasing item, you are required under the terms of that to set up an I&S Fund so that they know that they are going to get their payment when it comes due. That is why you are allowed to count that in your debt service and as part of your debt rate. When we get into the effective rate, and the rollback rate, this is how those are calculated. Often, your finance staff may or may not do these calculations, your official calculations must be done by the tax assessor collector in the county. Most cities do know what it is before they send it, but the official calculation under the code is done by the assessor collector. You can see on a rollback rate we take the effective M&O and multiply it by 1.08 and then you add what your current debt rate is, to the rollback rate. What that means, regardless of what your M&O is times 1.08, you get to put your current debt rate on top of that to come up with what the rollback tax rate. In essence then the rollback rate must take into account whatever the debt service is because of the obligations that you have that the constitution and statutes require, when it tells you what debt service is. You have those two components that I've talked about. You have the M&O and you have your debt obligations and those must be approved separately. My understanding, and I've only represented Gonzales for a very short time, but I've tried to get up to speed on the history behind some of this. My understanding is that Gonzales, like many communities I represent, enjoyed a very good time in the oil and gas for a while, so debt was not an issue here. You were not having to rely on the issuance of debt, like other cities to get things accomplished. However, you now have issued bonds. Several different sets of bonds and you have the capital leases. Because of that, your tax rate, regardless of whatever was done historically or in the past with your tax rate, you need to approve those two components separately. For example, I have jurisdictions, even if their debt rate is zero, they state that and adopt a zero debt rate as part of their tax rate, because the way we read the statute it's required, you have to have the two components. The rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund the unit's obligations and the second component is to fund the maintenance and operations, which we already said was everything other than debt. Here's what we did, we adopted a tax rate of .2750 and your prior year tax rate is set at .1769, so the rollback rate that was calculated was at .1867 because zero debt was reported which was inaccurate. The rate adopted was .2750 and it was submitted as all M&O and none as I&S which is your debt rate, which is not subject to rollback. The reason why you need to always, that debt is a component, that debt must be reported, that debt needs to be calculated, is because of the truth in taxation. We want to make sure everybody understands what is the status of the City's finances. How much of the City's obligations are my taxes going to pay your debt and how much of it is going to fund your operations, because to truly understand the budget, that's got to be part of it. Your total annualized debt service is actually over a million dollars, and here is how that breaks down. \$628,334 of that million dollars is scheduled in your current budget to be paid from your general fund. That's how much of your debt is being serviced by your property taxes in the budget you

adopted. The remainder of the debt service of the \$1 million is being paid by other revenue sources. That's your hydro bond, which is your electric plant and your expo bond which is out at JB Wells Park, the arena out there, the expo center. This is how that works though, all those bonds require you to set up an I&S account, an interest and sinking fund for those debt service payments is the money is there when those payments are due. What I want to stress though, even though you have \$1 million in debt only \$628 is what you can county this fiscal year in your debt rate, because that budget did not call for the Hydro Bond and Expo Bond to be paid for out of your general fund. That does not mean that next year or the year after that or I don't know when it's supposed to retire, that you couldn't move some of that debt service to be supported by your general fund, your tax rate because they are combination bonds. So any lawful source can be used to pay those and in fact the hydro bond is being paid by the revenue that comes in, I assume. The expo bond is being paid or scheduled to be paid from revenue from hotel/motel tax and funds that have been placed by your 4B Economic Development Corporation. What you have to understand and what the citizens need to understand is, if your hotel/motel occupancy drops completely, which can happen, if it is oil and gas related. Or if your sales tax revenue drops off completely because perhaps AMC doesn't come back to film the Son anymore and Pierce Brosnan doesn't make appearances at the local places to do business, your sales tax drops off, those are going to be paid out of your general fund. They have to because you pledged it. You promised the people who bought those bonds that you were going to pay for those out of the general fund if those other sources of revenue did not make the payments. That is why I listed then on here, because even though this year you didn't plan to pay for them out of those funds, that other stuff comes up short because of the way you structured the debt and the way it was sold and the way it was pledged. That's where we get into the debt assurances or the bond covenants or whatever you call them. Two parts to that, they're not going to call the bond payments if you don't correctly set up an I&S account but it is required by your covenants that you have an I&S debt service account. Also, just as a note, you've adopted a fund transfer policy, just this March having to do with your utility fund balance. Why that's important is because, on your utility funds you've pledged, it's not going to happen in one year, that you are going to maintain a twenty-five percent fund balance, the only way that you're going to get there with the way the current budget is, here is why that is important. If you don't have, if your utility fund, and your utility rate, let's say, the money you have coming in off of revenue on your utility rate, that's typically how that's captured is in what people pay as their base charge. I haven't seen your bill and I don't live here, but my base rate if I pay for water, sewer, or whatever the case is every month no matter if I don't use anything there is going to be a base charge. The revenue that should come in, that base charge should cover, that base charge should be paying for the expense that you incur as an entity to provide the service. So to get that water to the door, that base rate is what is covering all of those expenses. The consumption charge is everything beyond that, and that's what you should be recapitalizing to fund infrastructural improvements down the road. Base rate is going to make us whole on what we are incurring, the consumption which is true revenue, should be being put back into that utility, that's why you have this twenty-five percent fund balance policy most likely, so that fund is self-supporting, and if you have a line break or if you have things

like you experienced this last week where you suddenly have particulate in water and you are having to deal with that situation unplanned. It's expenses you didn't budget. That's what those funds are supposed to be there to provide for. That's another aspect of all of this is that the other component on utilities or anything, even the M&O is always the rates and charges. The capital lease payments under their terms and allowed by the Constitution are debt service by the general fund and property taxes. None of that was reported as interest and sinking and none of that was reported as debt when the calculation was done. Here is what you should have reported. You should have reported \$628,334, which equates to a debt rate of .1654, so your rollback rate, I'm here to tell you tonight, your rollback rate is not, was not, should never have been .1867 because it was an error, we will call it an error, to not report debt. Your true rollback rate is actually .3521 which you did not exceed with your adoption of your .2750 rate. You were well under it, actually you could have adopted, if you had calculated your debt, you could have legally adopted a rate of .3521."

Councilman Blakemore asked, "A rollback rate of .3521 is that validated by our county?"

Mr. Santee stated, "Yes, we did provide the true debt to the tax assessor collector and that's where that .3521 came from. How you get that again is the .1867 plus .1654 to get the .3521. You have a rollback petition, so here is how this works. You have to have a certain number of signatures; it has to state the intended requirement such as the like question of reducing the tax rate. I have not looked at or viewed your petition in total, but the City Secretary is the authority that does that, and she will speak to that later in the agenda. It has to be signed by a number of registered voters of the taxing unit equal to at least, and in your situation, ten percent of the number of registered voters of the taxing unit, according to the most recent official list of registered voters because you have M&O in an amount of less than \$5 million. They had to submit that to you before the 90th day after the date on which the governing body adopted the tax rate, and that was done. They met their date, I believe and I will defer to the City Secretary later on that. Not later than the twentieth day, you have to act on that petition. The action of that petition on a rollback is by resolution, and a determination as to whether or not that petition is valid. There are different elements to the validity of a petition, the primary one of course is obviously did they or did they not acquire enough signatures, the City Secretary will report on that later and then the element of validity is whether or not it's a valid petition in the first place, whether or not it would have qualified to be subject to rollback. The twentieth day after submission is December 25th. As much as I want to be here on Christmas, I understand that Council was not. Therefore, we are here tonight to take action on this prior to the 20th day from the date of submission. If you find that petition is valid, then we have a time line of not less than 30 days nor more than 90 days after the last day it could have been acted to approve or disapprove the petition to hold that election. In conferring with the City Secretary, she's determined that date would be March the 10th, would be her recommendation. If the petition is found valid then you have also in front of you an Ordinance if you choose to find the petition valid that would call that election for that date, which is a Saturday. That was because it was believed to be the best day as far as having folks work an election, and that meets the guidelines of not less than or more than 90 from December 25th. Also, in

that Ordinance I have prepared what the ballot would look like. It comes straight from the statute reducing the question presented on the ballot would be reducing the rate of the City of Gonzales for the current year from the rate that you all adopted to the rollback rate, the erroneous rate that was calculated without debt. This just goes through what happens if it goes through an election, if you call an election and its approved, this goes through the details of what happens then and how any refunds are done and how those tax bills are recalculated go out. Just again in the matter of transparency and I am new to this whole situation, but my understanding is, and I verified this through the information in the paper and such that it was a little bit inaccurate the tax rate adopted is not going to increase your revenue by \$2 million, so I feel obligated to state this. It actually is only going to generate, the increased tax rate is only going to generate \$372 k. As nice as it would be, if I could stand here and tell you that you are going to gain \$2 million from your new adopted tax rate, I cannot stand here and do so, that is not true. The amount of revenue generated from property taxes in aggregate would only total slightly over a million. Also, while it is true that you all raised your taxes, which seems like a huge number, 55.46%, it is because your tax rate was so low in the first place. Your portion of your tax bill from the total tax bill only increased from 7.9% to 11.76%. What that is referring to is this, which is what I started the presentation with, and that is if you don't understand your tax bill, if you don't understand the components of your tax rate and understand the components of a tax bill, it sounds a whole lot worse than what it probably is in reality. So what this is, if I live in Gonzales, Texas, here is what a snap shot of my tax bill will look like. \$1.16 or 49.63% of my tax bill if I am a Gonzales resident is going to the school district, the school district also taxes county residents who if they are within the school district. Gonzales County, they tax county residents countywide, and if you are citizens of Gonzales you still pay your county taxes because you also avail yourselves to the services of the court and the records and those things, so you are in the county so you are always going to pay county taxes, that's 20% of your tax bill and that's .4785. You have a hospital district here, which not everyone has those, so if you reside within the hospital district and you're a citizen of Gonzales, that's going to be 14.5% of your tax bill or .34 cents, and City of Gonzales you are the lowest component of that tax bill even still at .275, and you have no other available sources to tax other than residents within your City unlike the other taxing authorities. So 11.76% of my tax bill would be the City of Gonzales, so that's just an important thing for everyone to understand when we talk about transparency."

Councilman Schurig asked, "We could charge for other services though?"

Mr. Santee responded, "Absolutely, you do provide other services, a lot of services. Most citizens of the City of Gonzales probably receive more services from the City than any of those other entities unless, the school district. Those are some of your considerations. Now you can't recalculate your tax rate, but you don't need to. Your tax rate of .275 is fine, it can't be legally recalculated, but there is nothing that states that you can't correct the mistake that was made on your components because the statute requires that your adopt it separately, you failed to do so for whatever reason, and it could be very simple that historically you haven't had to deal with debt, and that's a

bond covenants and your corrected tax rate and your budget match. Your budget already called for those payments to be made out of the general fund, but it's kind of a domino effect. Once we do that accurately and show it in a rate, we need to make other changes in that domino trail, and we've got that in the form of an ordinance tonight amending your budget. After we have taken action on those two items, you should at that point, you do, because the petition was submitted in a timely fashion, you take action by resolution on the petition for a rollback election. You will make your determination on whether or not you find that petition is valid in light of the signatures, in light of the information that has been found in our investigation into your adoption of your tax rate. Depending on your action on the petition, you will then, you may or may not take action on an ordinance ordering an election depending on whatever you decide on the petition itself. So a lot of information, I can back up the slides to anything that you like or I can answer any of the questions that the Council may have."

Mayor Kacir asked, "In looking through my budget, our water fund reflected a negative balance of \$475,706.90. A portion of that comes from the water bond payment which was \$441,425.00. So what I heard you say was, the portion that the City should have correctly reported to the tax assessor collector or the I&S calculation would have included the capital lease payments which are the two John Deere lease payments, one Government Capital lease payments, because the lease payments have to be paid from the general fund. There is no enterprise account that can pay for those. If it comes from the general fund, it has to be in you I&S calculation?"

Mr. Santee said, "Yes that is correct."

Mayor Kacir said, "So those three capital lease payments had to be reported to the tax assessor collector to go in I&S. The reason our water bond, it's a certificate of obligation and calls for payment to be from the levying of ad valorem taxes or surplus revenue from the utility account. There were no surplus revenues, so that is why you put that \$441,425 payment in the I&S?"

Mr. Santee stated, "Mayor that is correct, so that's what I stated earlier too, if you contrast that with the expo bonds, in reality it's the same type of issuance, right, but you have an identified stream that is currently making the payments. If it fails to, it will be the same thing. There is no revenue to support it, it has to come from the general fund, and with your utility bonds, you are absolutely correct, your water fund was negative in revenue, so it is can't support that debt, so that debt is being picked up by the general fund which can't currently support it either quite honestly, so it relies on transfers from other utility funds. One of the things as part of that budget adjustment that was recommended by your auditor, is you need to, he is suggesting, and if you pass the ordinance you will be requiring staff to do this. Right now you just show revenues and expenses which is a very basic accounting methodology, and it is find, but it doesn't capture like things you're referring to, where you have transfers and other financing sources. It looks like, if my City budget looks like it's balanced and my revenue and my expenditures balance out, that's not the whole story though because if we don't know where those revenue sources are coming from, you don't have the whole picture. If one

great thing for the City that you haven't had to deal with debt in your past very much but once you started issuing debt, you had an obligation to split your tax rate into two components and adopt them, well you had the obligation before but most cities don't adopt a zero debt rate. Nothing says, you can't do that even still."

Councilman Blakemore asked, "Even if the rates had been cut every year prior to that, these components should have still been listed by statute, the debt."

Mr. Santee stated, "Yes, that is what the tax code says, your tax rate has two components that must be adopted separately, now when you vote to set your tax rate, it's one number, but you have to break those components out. It's all part of the adoption process that you have to state those separately. The reason for that is so that folks understand in that rollback calculation why it looks like it does, because that debt rate is added to, it is not left out. As I already stated the tax assessor collector is the authority that calculates the rate, she is not responsible for determining how much debt the City reports to her. If the City reports to the assessor collector, zero debt, then that's what she is going to calculate is zero debt, or if they don't report any debt then it is all going to go to M&O. She does not have the authority or ability to require the City to do anything other than that. That is up to you all. You see we reported zero that's why you got back a .1867. We have since corrected that, and provided the other number and the calculation come back as a rollback rate of .3521. Having walked through all of this, but from our perspective as your legal counsel, you have over a million dollars, outstanding debt. A fair amount of that, \$600k of that is pledged from property tax revenue. The only way this City can collect property tax revenue is through your tax rate, so your debt needs to be included in your tax rate. Regardless of what the Council decides on the petition, I am telling you, and I am asking you, to correct, because the statute requires it, and truth in taxation requires it, correct the rate that was adopted. You are not changing it. It's not going to change any body's tax bill, but you are going to, I am recommending that you adopt an ordinance tonight that shows what the correct components are. How much of that is M&O and how much of that is debt. The other part of that, the other request I would have of Council, that would be item number 4, is anytime we go in and we touch the tax rate, my concern was when we researched and looked into this. We can't do anything on this tax rate that is going to conflict with or contradict anything in the adopted budget, and budget can only be amended by an ordinance. So in working with the City's auditor we were able to determine and pinpoint what parts of your budget were probably not as accurate as they should have been at the time of adoption based on the debt being pledged, revenue being pledged to cover your debt. Your debt rate, that's part of it, correctly, reporting your debt rate so it's included. The other part of that though is, having your financial policies that you have adopted, your budget being adopted in conformance with those financial policies so that those numbers, just because it zeros out does not mean it is accurately capturing what was intended through the fiscal policies or through the amount of your general fund being used for debt service. I am asking also for you to adopt a budget ordinance, an amendment to your budget through ordinance that will incorporate the findings that the auditor made so that we are correctly and accurately showing your debt where it should be pursuant to your financial policies, your debt,

of those revenue resources should be your water fund, but it's running a deficit, and let's say your electric utility fund is doing much, much better, well actually your electric utility fund is probably supporting the water fund and the general fund because it is having to be transferred to the general fund, which is propping up the water fund. One of the revisions made to your budget is going to be to accurately show the Council, the staff and the citizens where those funds are coming from because your general fund is not healthy. It is not as healthy as we would want to think because if we just look at it as revenues and expenditures that's one thing, but when we look at where the transfers are having to come from. That also ties back to Councilman Schurig's comments about rates and charges. One of the components of your budget and really moving forward, a recommendation I would make is that you have a rates and charges study to make sure that base rate in anything that you are doing, and any permit that the City issues, the cost you incurred to provide that service or to get that water to the meter, all those things are being recovered through that base rate. That's the only way you're going to get to that point where you can do that 25% and where you have your revenue supporting bonds issued for that purpose. Those water bonds were issued to make improvements to that system, but that system is not paying that, because that system is not healthy enough to pay it, so the general fund is picking up the tab for it. That's the other part of that, so yes Mayor in certificate of obligations, that's how that works."

Mayor Kacir stated, "So correctly reporting the debt, that will be paid from the general fund from this year is the \$628k, and that gives us an accurate I&S rate of the .3521. According to the Tax Code, the I&S rate is not subject to a rollback rate."

Mr. Santee stated, "It's part of that, it's calculated into that rollback rate. That's why it's added to the effective M&O, so it's not, yes, that would be one way to say that it's not subject to rollback because it's within the rate itself."

Mayor Kacir asked, "Had the rate been adopted with the two components of the tax rate correctly, the I&S rate would have been the .3521?"

Mr. Santee said, "That would have been your rollback rate."

Mayor Kacir stated, "Rollback rate, which would have been the maximum amount before you're subject to a rollback election. So the .2750 is well below the .3521, the .2750 cents would not have met the criteria to be eligible for a rollback election?"

Mr. Santee stated, "That is correct."

Councilman O'Neal asked, "What ultimately happens if the City gets to a point where it can't pay its bills?"

Mr. Santee stated, "I would assume that you would be in receivership, at some point if that were to happen. I have not represented a City where that has happened so I may not have the best answer for you. Now, again I can't stress enough that regardless of what the outcome of this is that rates and charges are not subject to rollback. Before

you board up the doors at City Hall, you might take a look at your rates and charges because they are not subject to any rollback and there is no maximum amount that you can charge for a service you're providing. Again, I understand these are not popular things to say, but it's the reality."

Councilman Blakemore stated, "We were very careful in the budgeting process, maybe not to break the components out, but we did extensive work during that to make sure what we were doing to the citizens on a monthly basis did not put anybody in peril and we worked several times, matter of fact, we even stopped one session from going any further because we were looking at some rates but we were raising peoples billing each month just on their taxes over \$100k about \$8.17. We were cognizant of that plus we were looking at raising some fees and doing some other things and we were trying to stop short of just wiping somebody out on a monthly basis, based on past practices. The .2750, the thought process was going through about what we could do to make the City in a better financial shape without killing the citizens in the meantime."

Mr. Santee stated, "Your rates, is the smallest component of the tax bill."

Councilman Blakemore said, "I understand that, but not a lot of people do. A lot of people like to sensationalize the numbers to work for whatever their benefit is, so I just want to make sure everybody understands that the .2750, there was a lot of consideration to what that was going to do to the citizens as well as how it would help the City of Gonzales. That wasn't part of it. Had we known that our roll back rate would have been .3521, I will not sit here and tell you that we would have gone to a rate of .3521, because we were cognizant of trying to recover, but not recover everything at one time. I just want to make sure that, that's understood for the record. "

Mayor Kacir added, "When we did the calculations we were doing rate studies and we ran many different scenarios. Part of that was a call, by all of our financial advisors and professionals, who had counseled us extensively. Our auditors came and spoke during public meeting, we also had advice from our Financial Advisor, Bob Henderson, a Bond Credit Analyst from S&P who all counseled the Council that our ad valorem property taxes needed to be raised significantly due to the issue of excessive transfers coming from the electric fund to fund the general operations of the City. Back to Councilman Blakemore, when we ran our tax rate based on a \$100k home, that created a monthly increase of \$8.17, though there were other utility funds that needed to be raised we raised no rates on our utilities to try to stair step that back up and bring the City back to financial health. 2016 CAFR showed we were well below the GFOA guidelines for government finance, accounting principles, where we were showing about 5% in our general fund when it should be about 15%, and we were told that we would have a double notch downgrade in our bond rating if we did not significantly rate our tax rate. There again, the .2750 we felt was palatable to the citizenry in an increase adoption in one year."

ITEMS FOR CONSIDERATION AND POSSIBLE ACTION

Item #4, Mayor, Connie Kacir read Discuss, Consider & Possible Action on an Ordinance Ratifying the Adopted Overall Tax Rate and Correcting the Allocation of the Overall Rate between the two components of M&O and I&S of the overall tax rate as required by statute. City Attorney, Dan Santee stated, Council, in your packet it is labeled as Ordinance #2017-26, and this ordinance, it makes the findings necessary to indicate how the City got to this point, it talks about your original adoption of your tax rate, the omission of the debt from that rate, and the fact that it was not adopted as two components. We feel like it is important that the City correct that, to put you in a better position moving forward into future years. So it is accurate, and this is the practice that would follow going forward. Part one of that ordinance states that the City Council of the City of Gonzales, Texas hereby amends the tax rate of \$.2750 to appropriately reflect the maintenance and operations rate of \$.1096 and debt service rate of \$.1654. The effective maintenance and operations rate is \$.1729 and the rollback rate inclusive of the debt is \$.3521, and that is as stated in the statute inclusive of the debt. It also has a repealer, severability clauses and would be effective immediately. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-26 Ratifying the Adopted Overall Tax Rate and Correcting the Allocation of the Overall Rate between the two components of M&O and I&S of the overall tax rate as required by statute. Councilman Schurig seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #5, Mayor, Connie Kacir read Discuss, Consider & Possible Action on an Ordinance Amending the 2017-2018 Budget to Correct Certain Balances as Reflected Pursuant to the City Charter, Adopted Fiscal Policies and the Corrected Allocation of M&O and I&S Funding. Council, action would need to be taken on the budget to correct all of the fund balances, where we show them in a negative state and make the correcting entries for a balanced budget following the charter, which does state in section 9.14 that our estimated expenditures shall not exceed the estimated resources. So it is mandated that we make those budget amendments in accordance with the correction of the M&O and I&S rate. City Attorney, Dan Santee added that it would also adjust the way that you list certain things currently listed as revenue more appropriately as transfers. I don't want to overlook that, because that is an important component of this in getting Gonzales to where they need to be on transparency, on your finances. Mayor Kacir stated, it also follows the finance policy and how the budget is presented, so we need to follow the finance policy as well. The Mayor asked for a motion. Councilman O'Neal made a motion to approve Ordinance #2017-27 Amending the 2017-2018 Budget to Correct Certain Balances as Reflected Pursuant to the City Charter, Adopted Fiscal Policies and the Corrected Allocation of M&O and I&S Funding. Councilman Schurig seconded the motion. The Mayor asked if there was any further discussion. Councilman Blakemore added that this further enforces our promise of transparency on our finances and our City business to our citizens and I want to make

sure that it goes out as where it shows revenue but it is actually transfers. We're clearing that up and being transparent about our financial responsibilities. The Mayor further added, it of course upholds our oath of office as well to preserve and protect the City and we will be doing that in part by implementing the financial policies that are in place. Again, as point of information, the budget amendments, the overview to that is on your exhibit. It shows how each fund will be corrected and how those corrections are to be made. The Mayor then asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

Item #6, Mayor, Connie Kacir read Discuss, Consider & Possible Action on the Petition to Initiate a Rollback Election. She then called on City Secretary, Kristina Vega to report to the Council on the petition. Ms. Vega stated, Madam Mayor, Members of the Council on December 5th the petition was presented which was within the 90 days of the tax rate that was adopted. The petition required 10% of the registered voters and was calculated to be 370 valid signatures. In the verification process the number of valid signatures verified was 405. The Mayor expressed, we have had our report on the petition, and called for possible action on the petition to initiate a rollback election. The Mayor asked for a motion. Councilman Blakemore made a motion to approve Resolution #2017-112 A Resolution of the City Council of the City of Gonzales, Texas accepting the rollback election petition submitted by registered voters of the City of Gonzales and making the determination that the petition is not valid. Councilman O'Neal seconded the motion. On the motion that the petition is invalid, I will just add for the record, the petition was created to allow the citizens to roll back the tax rate. To reduce the tax burden and correct action that was taken by the governing body, the Council, that exceeded the states statutorily approved as the maximum tax rate. Through our meeting tonight, we have learned that with the corrected information that rollback rate, we would not have exceeded that rollback rate, because the correct rollback rate would have been \$.3521. I believe the information the petitioners received when they were asked to sign the petition was supported by false information which appeared in their ad in the Gonzales Inquirer that was a citizen paid ad on October 7, 2017. That ad advertised for those interested in signing the petition to go where to go and sign the petition, and it was quoted in the ad that the adopted tax rate would increase City revenues by \$2 million. That information was misleading, manipulated and was not fact for those who signed the petition under that information. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye."

Item #7, Mayor, Connie Kacir stated the Council will not discuss and consider or take possible action on an ordinance ordering a special election concerning the question of reducing the tax rate for the current tax year, due to the ruling the petition was invalid. Action taken on agenda item number six.

Item #8, Mayor, Connie Kacir read Discuss, Consider & Possible Action to authorize the City Manager to negotiate agreements to secure contingent Water Resources in the event of an emergency, and approving the amendment of the Water Supply Contract with the Gonzales County Water Supply Corporation to accomplish said intent. Council we have a copy of the proposed contract that will go to Gonzales County Water Supply. City Attorney, Dan Santee stated to clarify, in light of the situation that dealt with your water, we bumped this up. This is something that I have been working with Keith on. Your prior contract has lapsed; your existing contract is what we would call a one way contract, where the City can sell water to the water supply corporation. In light of the hurricane that you experience and in light of the situation last week, we decided that should probably be a two way contract so that in an emergency only or in a natural disaster situation the City could actually receive water from the water supply corporation. The water supply corporation has not seen this revised agreement, they have discussed it, and because we had an agenda and you have a current situation, it looks like it is fine, but in all precaution. We wanted to have this in front of Council but your motion should be to approve the contract as presented to the Council contingent upon the approval of the water supply corporation and authorizing the City manager to complete those negotiations and execution. Mayor Kacir asked for a motion. Councilman O'Neal made a motion to approve the contract between the City of Gonzales and Gonzales County Water Supply Corporation provided that they accept the terms and conditions of the agreement and authorize the City Manager to negotiate any changes that might be and if passed by the Gonzales County Water Supply Corporation, any time that the water is switched from one to the other that notification be made to the citizens of Gonzales. Councilman Blakemore seconded the motion. The Mayor asked for a roll call vote. Councilman O'Neal, Blakemore, Schurig and the Mayor all voted "aye".

The Mayor stated, as point of information, before the meeting closes in regards to the tax rate, I did find a schedule of our debts and we have debt that was issued as far back as 2011. 2011 we had a revenue bond, 2015 we had a tax and revenue bond, 2017 we had a tax and revenue bond. All three of these are tax and revenue bonds. Then in 2014 we had a capital lease, 2015 a capital lease, then again in 2015 a capital lease.

ADJOURN

The Mayor asked for a motion to adjourn. Councilman O'Neal made a motion to adjourn and Councilman Schurig seconded the motion and the meeting adjourned at 7:10 p.m.

Kristina Vega

Kristina Vega, City Secretary

APPROVED:

A. K. Garcia