

**MINUTES
CITY COUNCIL REGULAR MEETING
June 11, 2019**

**R. E. SPRADLIN, III – MAYOR
HARVEY MCCLENDON – MAYOR PRO TEM
MERLYN HOLMES – COUNCIL MEMBER
MIKE SECHRIST – COUNCIL MEMBER
VICTOR A. BOYD – COUNCIL MEMBER**

- A. Call to Order** – With all Council Members present, Mayor Spradlin called the meeting to order at 5:30 p.m.
- B. Prayer** – The opening prayer was led by Harry Caldwell of Mt. Moriah Baptist Church
- C. Pledges of Allegiance** – Council Member Boyd led the pledges to the U.S. and Texas flags.
- D. Public Forum (01:25 on 06/11/2019 Council Recording)**
Mayor Spradlin opened the public forum and as there were no requests to speak, the forum was closed.

E. Items of Community Interest (01:57 on 06/11/2019 Council Recording)

Mayor Spradlin gave a brief summary of upcoming Community Events in Kilgore:

- Wednesdays at 10 am at 4 Star Cinema- Free Summer Kid’s movies
- June 15th – Juneteenth Celebration 10am-4pm at Kilgore City Park
- June 20th – Kilgore Law School Lunch 1pm at First Christian Church
- June 22nd – Live Like Jay Memorial Bass Fishing Tournament at Johnson Creek Recreation Area
- June 22nd – Battling with Brylie 5K Run and Walk – 8am-10am North Commerce St
- June 22nd – Children’s Art Festival 10am – 4pm Kilgore City Park
- June 24th thru July 5th – Library NASA exhibit
- July 4th – Fourth of July Extravaganza 6pm at Kilgore City Park

Mayor Spradlin mentioned the grand opening of the City Pool Saturday night was the place to be in Gregg County!

F. Presentations (03:50 on 06/11/2019 Council Recording)

1. Police Chief, Todd Hunter recognized Josh Sims for 10 years with the Kilgore Police Department.
2. Police Chief, Todd Hunter recognized Tim Dukes for 10 years with the Kilgore Police Department.
3. City Manager, Josh Selleck recognized Landon Ward for five years of service with the City of Kilgore.
4. Bill Martin, Controller, presented a summary of financial activity for the quarter ending March 31, 2019 specifically noting activity in the General, Utility, and Golf funds.

5. Jana Russell, Assistant Director at KEDC, gave a mid-year report on Kilgore Economic Development Corporation
6. Josh Selleck, City Manager, gave a presentation on the City Pool

G. Consent Agenda (48:22 on 06/11/2019 Council Recording)

1. Approval of the City Council Regular Meeting Minutes on May 21, 2019
2. Approval of the KEDC Board Meeting Minutes on June 4, 2019
3. Approval of Resolution No. 19-11 adopting Primary Employer Guidelines and Criteria for Tax Abatement

Motion: Council Member Sechrist made a motion to approve the Consent Agenda as presented. The motion was seconded by Council Member Boyd and carried unanimously.

H. Public Hearings/Ordinances/Resolutions (49:08 on 06/11/2019 Council Recording)

1. Resolution No. 19-10 Master Fee Schedule, updating cost of building permits for residential construction.

Mayor Spradlin opened the public hearing and introduced B.J. Owen, Director of Special Services who stated that due to House Bill 852 Cities can no longer base their permit fees and inspection fees on the value of the dwelling that is being constructed or being added to and they cannot collect that information during the permit process. We had a cost based permitting fee schedule in place and we are changing them to a cost based per square foot. We have come up with the following:

- New construction and additions will be \$400.00 up to and including 1000 sq. ft. with \$.30 per additional sq. ft.
- Remodel and repair - \$250.00
- Re-roof (no deck replacement) - \$100.00
- Re-roof (deck replacement/structural) - \$250.00

We found using the prices above, kept us close to where we were on several size houses from 800 sq. ft. to 4000 sq. ft. This is just for residential dwellings.

Motion: Council Member Sechrist made a motion to approve Resolution No. 19-10 Master Fee schedule, updating the cost of building permits for residential construction. The motion was seconded by Council Member Boyd and carried unanimously.

2. Ordinance No. 1742 designating the reinvestment zone for the purpose of tax abatement for Wagner Tuning, LLC.

Mayor Spradlin opened the public hearing and introduced Jana Russell, Assistant Director of KEDC who stated KEDC Board of Directors met on June 4th and voted unanimously to recommend that Council authorize a 10-year, 50% personal property and real property improvement tax abatement with Wagner Tuning, LLC to facilitate new construction and investment on Lots 7B in Synergy Park, also known as 4017 Enterprise St. The Reinvestment Zone meets criteria for creation. The result will contribute to the

creation and retention of expansion of primary employment and to attract major investment in the zone which will provide a benefit to the property and contribute to the economic development of the City of Kilgore. Improvements in the zone will enhance significantly the value of all taxable real property in the Reinvestment Zone. It is estimated the City will collect about \$175,000 over the next ten years from the company during the term of this agreement.

Motion: Mayor Pro Tem McClendon made a motion to approve Ordinance No. 1742 designating reinvestment zone for the purpose of tax abatement for Wagner Tuning, LLC. The motion was seconded by Council Member Holmes and carried unanimously.

3. Resolution No. 19-12 authorizing a tax abatement agreement between the City of Kilgore and Wagner Tuning, LLC

Mayor Spradlin introduced Jana Russell who stated in addition to the investment and job creation this company will contribute to the diversification of the Kilgore economy, will add the benefits of new construction, and bring visitors to Kilgore. KEDC is requesting the Council approve the Resolution authorizing an agreement for Tax Abatement for Reinvestment Zone 2019-09-11 #1.

Motion: Mayor Pro Tem made a motion to approve Resolution No. 19-12 authorizing a tax abatement agreement between the City of Kilgore and Wagner Tuning, LLC. The motion was seconded by Council Member Boyd and carried unanimously.

I. Discussion and Possible Action Items (57:47 on 06/11/2019 Council Recording)

1. Fireworks permit for July Fourth Celebration at the City Park

Mayor Spradlin introduced Sonya Waters, Community Relations Manager who stated as per City Ordinance we have to have permission from Council to have fireworks at an event. Mrs. Waters gave a brief summary of the upcoming event. She also stated there is a new fireworks launch zone behind first Baptist Church near the can donation bin. The Fire Marshal will be controlling the fire safety zone.

Motion: Council Member Boyd made a motion to approve the fireworks permit for the July Fourth Celebration at the City Park. The motion was seconded by Council Member Sechrist and carried unanimously.

2. Out of District Service Fees

Mayor Spradlin introduced Fire Chief Johnny Bellows, who gave a presentation and explanation on how our Department makes responses to those who are from outside the City. They may be visiting or on the Highway and they have a wreck or fuel spill and our Fire Department is the one who cleans it up and pays for it at the expense of our tax payer dollars. Currently Kilgore taxpayers are subsidizing for emergency services for non-taxpayers and insurance companies have funds set aside for these fire service fees. The goal of this Service Fee Program is to recoup some of the cost involved when responding to incidents that involve non tax paying citizens. This will not recover all of the associated costs, but will help us to some degree. We will

be able to bill for: structure fires outside the City Limits, hazardous material spills, motor vehicle accidents, motor vehicle fires, extrication incidents, grass fires, rescues, and other incidents deemed billable. Only non-tax paying individuals or companies will be billed, not individuals or companies that pay City taxes. The way it will work is firefighters will collect insurance information at the scene, a contracted collection company will pull the billing information from the incident reports, insurance companies are sent an invoice, there is no high pressure to pay for the bills sent out, and the contracted collection company received 30% of the money collected. Chief Bellows stated out of district calls, including Interstate 20 and County calls make up about 25% of the Fire Department's call volume which makes an estimated revenue of about \$90,000 annually. Council had some questions about the fees and it was recommended the Out of District Service Fees will be brought back to Council at a later meeting.

3. Authorize City Manager to negotiate and execute construction contract for the cart barn with Leland Bradley Construction for amount not to exceed \$412,000.

Mayor Spradlin introduced City Manager, Josh Selleck, who stated recommended bid for the Cart Barn project was awarded to Leland Bradley Construction for a total of \$422,454.00. Although the current contract award appears to be above original estimates, there are several items where staff has sought to reduce costs. First, there is a \$25,000 allowance in the construction contract, which we do not anticipate needed to access. Second, we will be administering the contract in house saving outside consultant fees. And finally, we have identified an overdesign in the original building that called for additional interior wall cladding that will not be necessary.

Motion: Council Member Sechrist made a motion to authorize the City Manager to negotiate and execute a construction contract for the cart barn with Leland Bradley Construction for amount not to exceed \$422,454.00 and subsequent change order reducing the contract by \$32,000.00. The motion was seconded by Council Member Holmes and carried unanimously.

J. Executive Session (1:51:51 on 06/11/2019 Council Recording)

Mayor Spradlin closed the open meeting at 7:26 p.m. to convene into Executive Session to discuss the following:

1. Personnel matters pursuant to Section 551.074
 - Annual performance evaluation of City Manager by City Council
2. Possible purchase exchange, lease, or value of real estate pursuant to section 551.072
 - Properties near 1612 S Henderson Blvd.
3. Economic Development negotiations pursuant to Section 551.087
 - Prospect 2091
 - Prospect 2084
 - Prospect 2097
 - Prospect 2099

- Prospect 2068

K. Possible action on items discussed in Executive Session

Mayor Spradlin reconvened in open session at 9:35 and a motion was made by Council Member Sechrist to authorize the City Manager to negotiate and execute a purchase agreement on land adjacent to 1612 S. Henderson Blvd subject to the City Attorney's approval. The motion was seconded by Mayor Pro Tem McClendon and carried unanimously.

L. Adjournment

Upon a motion by Mayor Pro Tem McClendon and seconded by Council Member Boyd the meeting was adjourned at 9:36 p.m.

ATTEST:

CITY OF KILGORE, TEXAS

RACHEL ROWE, CITY CLERK

R. E. SPRADLIN, III, MAYOR