



City of Pattison
P.O. Box 223
Pattison, TX 77466
281-934-3715
Website: Pattison.Texas.Gov

**CITY COUNCIL MINUTES
AUGUST 6, 2019 REGULAR MEETING**

I. Call Meeting to Order

A regular meeting of the Pattison City Council was called to order by Mayor Joe Garcia at 7:00 p.m. in the Royal ISD Administration Building, located at 3714 FM 359, Pattison, Texas 77466.

Members Present:

Mayor Joe Garcia, Councilmember: Wayne Kircher, Robert MacCallum, Seth Stokes, Frank Cobio and Fred Branch

Also Present: City Attorney, Lora Lenzsch; Deputy City Secretary, Christa Molloy; Jared Biermann with Jones and Carter; Rick MacDonald; Valerie Williams and representatives from the South End Optimist Club; Heather Delso and Heather Braeuer with Seidel Schroeder

II. Pledge of Allegiance

Mayor Garcia and Councilmember MacCallum led the pledges.

III. Citizens Comments – No action can be taken

Mayor Garcia stated that those persons who signed in would have the opportunity to speak to the Council. Valerie Williams with the South End Optimist Club approached the podium to discuss an upcoming Chili Cook-off. Mayor Garcia advised Ms. Williams that if she wanted to continue she would be limited to three minutes and the Council could not respond or that she could wait until the end of the meeting when the Council discusses upcoming community events and the Chili Cook-Off was on the agenda and would have no limitations on her time. Ms. Williams chose to present during the upcoming community events discussion.

IV. Council to Approve Agenda

Mayor Garcia asked for a motion for the Council to approve the agenda as presented. Councilmember MacCallum made a motion that the agenda be approved as presented, seconded by Councilmember Kircher. The motion passed unanimously.

V. Consent Agenda

Items listed under the consent agenda are considered routine and are generally enacted



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in one motion. There will be no separate discussion of these items unless a Councilmember requests one or more items to be removed from consent agenda for a separate discussion and action.

- A. Consent and approval of Minutes from the July 16, 2019 regular meeting.
- B. Consent and approval of the finance report for August 2019
- C. Consider and approval of checks paid and payables

Mayor Garcia sought a motion to approve the Consent Agenda. Councilmember MacCullum made the motion that the Consent Agenda be approved as presented. The motion was seconded by Councilmember Kircher. The motion passed unanimously.

VI. Business

1. Council to discuss and take action on appointing Christa Molloy as City Secretary.

Mayor Garcia recommended that the Council appoint Christa Molloy as the City Secretary for the City of Pattison at the current hourly rate she is paid. He stated that the City Secretary had resigned, and that City needed to transition in an orderly manner to continue City business. Councilmember MacCullum motioned that Christa Molloy be appointed as the City Secretary, seconded by Councilmember Stokes. Mayor Garcia asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

2. Council to discuss and take action on approving Allegiance Bank Indemnification and Hold Harmless Agreement granting Christa Molloy access to account balance and information; requesting copies of account statements, checks, debits and/or credits; ordering printed checks and deposit slips; placing stop payment orders; online banking; and receiving email notification of incoming wires.

Mayor Garcia asked for a motion on this item as a part of the transition for the new City Secretary. Councilmember Stokes motioned that the Council approve the Allegiance Bank Indemnification and Hold Agreement granting Christa Molloy access to account balance and information; request copies of account statements, checks, debits and/or credits; ordering printed checks and deposit slips; placing stop payment orders; online banking; and receiving email notifications of incoming wires. The motion was seconded by Councilmember Cobio. Mayor Garcia asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

3. Council to discuss and take action on approving the Business Debit Card Application for Christa Molloy



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Mayor Garcia noted that the City Secretary in the past has had a Debit Card to allow for emergencies and approved purchases and is seeking the same for the new City Secretary and asked for a motion. Councilmember Kircher motioned that the Business Debit Card Application be approved for Christa Molloy. The motion was seconded by Councilmember MacCullum. Mayor Garcia asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

4. Council to discuss and take action on approving the 2018 Audit from Seidel Schroeder.

Mayor Garcia welcomed the staff members from Seidel Schroeder Certified Public Accounts/Business Advisors team and stated that they had completed the City Audit's for the past several years. Heather Delso, Senior Audit Associate, introduced herself as the auditor who had done the audit for 2017. She introduced her associate Heather Braeuer who she indicated completed most of the audit for 2018. Heather Delso asked the Councilmembers to turn to page 1 of the Financial Statements to the Independent Auditors' Report, which she stressed was the standard language that the Council would have seen in prior years. Ms. Delso drew their attention to the first bold paragraph labeled "Management's Responsibility for the Financial Statements." Ms. Delso shared that this paragraph dealt with the City's responsibility for the preparation and presentation of the financial documents and the auditor's responsibility to express their opinion on those financial statements. She directed them to the next page to cover the "Opinions" paragraph expressed the opinion that everything was presented fairly in all material respects.

Ms. Delso then referred them to Page 3 to the paragraph labeled "Management's Discussion and Analysis" and stated that this is for other users that are outside the city that may not be aware of everything in the 2017 and 2018 financial statement amounts to see what were of those changes from year to year. Ms. Delso then asked the Council to turn to Page 9 to the "Statement of Activities" and stated there was some difference from the prior year. The difference was due to more activity in Highways and Streets, Culture and Recreation and Public Safety. As a result of this the 2018 net position was \$1,184,479. At this point she paused and asked the Council if they had any questions. With none, she continued and ask the Council to turn to Page 10 to the "Governmental Funds Balance Sheet". She noted that the certificates of deposit did go down about \$250,000 from 2017 and 2018. She stated that this was due to that project for the street repairs and paving. She directed the Council to look midway down the page to the "Liabilities Accounts Payable" line and indicated that the \$5,441 it was a decrease of about \$18,000 from the prior year. She noted that this was mainly due the street repair project as well as costs from 2017 that were not paid until 2018.



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Ms. Delso then asked the Council to turn to Page 11, the “Statement of Revenues, Expenditures and Changes in Fund Balances”. She noted that the franchise tax revenue from CenterPoint went up \$7,000 from prior years and that the Permit Revenues increased by about \$5,000 due to the New Dollar General store. The total revenue of \$159,153 was an increase of about \$14,000 from the prior year. She also pointed out there was increase in professional fees of about \$23,000 from the prior year. This was due to the consultant that was hired for the sales tax project and the assessing of the City Map that was done in 2018. She noted that the general government expenditures increased about \$20,000 from 2017. From there she directed the Council to view the Street expenses of \$31,300; the Culture and Recreation line for \$1,700 and the Public Safety line for the forming of the Municipal Court. Indicating that this activity resulted in a net fund balance decrease of \$238,179.

The discussion then turn to Page 13 which is the budget compared to the actuals. She pointed out that professional fees were almost \$6,000 over budget due to the extra fees for the tax consultant. In Capital Outlay the City was under budget by \$66,000, due in part that the budget included about \$34,000 that was reclassified to highways and streets for the repairs and maintenance. She noted that the net was about \$34,000 under budget when you merge those two items together.

Ms. Delso then briefly discussed the “Note of Basic Financial Statements” from page 14 – 19. Highlights of information here included the fact that our agreement with Center Point for franchise fees will go through 2023. Additionally, it was pointed out that the City might not have all funds returned to it in the event of a bank failure as deposits with financial institutions totaled \$305,922 with only \$250,000 covered by FDIC insurance. It was also noted that the active assets held in the Morgan Stanley account are not covered by the FDIC.

Heather Braeuer stepped forward to discuss the communication letters stapled to the front of the publication. She shared that there was the initial planning letter back in September to explain to the Council the planning procedures and scope of the audit. The letter in front of them was a communication wrap up and there to explain if there were any difference reporting. She reported that there were none. Ms. Braeuer also noted that there were not changes in accounting policies during the year and that all significant transactions are recognized in the financial statements. She explained that certain accounting estimates are based on managements judgment. Ms. Braeuer noted that the accounting estimate that is most significant to the financial statements is the calculation of depreciation expense for the capital assets. It was found that the basis for those calculations was reasonable as well. She also stated that they did not encounter any difficulties and performing the audit directing the Council to review the summary of corrected and uncorrected misstatements. She also noted that there were had no



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disagreements with management and preparing the financial statements and performing the audit. She also indicated that they have obtained Management's representations stating that they have disclosed everything to us for performing the audit. She stated that they are not aware of any management consultations with any other independent accountants, noting that this is just a standard disclosure as well. Ms. Braeuer also shared that her organization has provided a separate letter to the Mayor on what they felt could be some process improvements.

She then asked the Council to review the communication of Internal Control Recommendations. She started off noting that that a deficiency and internal control exists when the operation of controls do not allow management or employees in the normal course of business performing their assigned functions to prevent detect or correct misstatement sat a timely manner. If this is the case, there could be material misstatements or material weaknesses, and this could be that there would be something that would be very pervasive to the financial information and that it could have gone undetected without being detected in a timely manner. She indicated that there was no material weakness or significant deficiency found in this year's audit.

Ms. Braeuer did identify one issue that is just inherent due to the small nature of the operations of the City. Noting that you have separation of duties for bookkeeping and have included recommendations that included consistently reviewing the banks statements and copied checks to ensure it is what is approved at each monthly Council meeting.

In conclusion, she wanted to thank the City for working with them to do the audit again this year noting that it took some time to look into the Center Point franchise fees to get an idea of how the franchise fees work since the agreements were first made when the City incorporated in 1972. Her advice was that some of the City's franchise agreements have never really been audited and some don't lend themselves to very good auditing. She noted that as the City looked to 2023, that in the next year or two that we should pay attention to franchise agreements to ensure we have the ability to audit that the companies are paying us the full amount due.

Mayor Garcia responded that he appreciated the time and effort of the audit team especially addressing franchise fees. Mayor Garcia stated that he will begin scheduling a monthly meeting with the City Secretary to review the bank statements and charges.

Mayor Garcia then asked all the members of the Council if they had any questions. There being none he asked for a motion on this item. Councilmember Stokes moved that the Financial Statement with Report of the Independent Auditor be accepted as presented, seconded by Councilmember Kircher. The motion passed unanimously.



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5. Council to discuss and take action on awarding drainage project contract to JTM Construction.

Jared Biermann with Jones and Carter stepped up to the podium to present the proposed drainage contract with JTM Construction. Mr. Biermann noted that the City Attorney took exception with a line in the contract that does not need to be there. He indicated that he will be issuing a letter to the contractor asking them to remove this item noting that it doesn't change the overall contract. Mayor Garcia asked Mr. Biermann to refresh the Council's memory of the project. Mr. Biermann explained that it is a total of \$49,585 contracting JTM Construction to replace a few culverts, and work on the drainage downstream in the city. He noted the general area for clean up was from Ave E where it's unimproved over to Ave G from 7th Street up to 5th Street. It will also cover Ave H up to 6 Street and then all the way up to Fourth Street.

Mayor Garcia asked about Mr. King's property where he had cleared the ditch in front of his property. Mr. Biermann's noted that the plan was to give it a little more depth in this project. The Mayor asked about ensuring that any left-over dirt be leveled out and not left behind. Mr. Biermann indicated that he spoke to the owner of JTM Construction, Mr. Belt, and that he has agreed to haul off excess dirt if necessary.

Mayor Garcia noted that we have a large number of senior citizen's that live in that area and asking that there be good communication with them about this project. Mr. Biermann's noted that as a date is identified the affected homeowners will receive a letter at the beginning of the project noting that they are working within the public access right away. Mr. Biermann's will give an initial notice of the contract dates and then the homeowner will receive a notice from the contractor 48 to 72 hours before they begin working in the affected area. Mr. Biermann's confirmed that this is a 30-day contract.

The Mayor then asked the City Attorney if she had any questions. She indicated that she had pointed out a couple things to include a change in the indemnity provision as she was concerned that work would be occurring on or near adjacent properties and that the contractor will pay for any damage to the properties and noted that they are going to tweak in this in the contract. Mr. Biermann's indicated that he will call the contractor in the morning about that issue.

Mayor Garcia asked the Council if they had questions. Councilmember MacCullum shared that any excess dirt might be delivered behind the fire station as this had been a request before. He recommended contacting the Pattison Area Volunteer Fire Department to determine if they would want the excess dirt.



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Mayor Garcia asked for a motion on this matter. Councilmember Stokes motioned that the Council approve the drainage contract with JTM Construction. The motion was seconded by Councilmember MacCullum. The motion passed unanimously.

6. Council to discuss and taken action on holding a town hall meeting for Sunday, August 18th from 2:00 – 4:00 PM at the Pattison Area Volunteer Fire Department to discuss and receive feedback on priorities for drainage and street repair.

Mayor Garcia shared that he would like to have this fourth Town Hall meeting to share the city's needs and discuss funding options. He confirmed that the Pattison Area Volunteer Fire Department was available on this day for the Town Hall. Councilmember Fred Branch motioned that the Council approve the Town Hall meeting, seconded by Councilmember MacCullum. Councilmember Kircher noted that he would be out of town and regretted that he will miss the meeting. Mayor Garcia asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

7. Council to discuss and take action on Planning Commissions assignment of initial terms

Mayor Garcia reminded the Council that the terms of the Planning Commission members are two years. Initially for continuity, some members of the Planning Commission would have to have initial one-year term. Mayor Garcia recommended that Rick MacDonald, Kenneth Coulter and Robert Meyer have the initial two-year terms as they were the first individuals to volunteer for the Planning Commission. Anissa McGowan, Lee Kosina and Heidi Gregory would have initial one-year terms. Mayor Garcia shared that this would then ensure the Council had an equal number of members rolling off/on in future years. Mayor Garcia asked for a motion. Councilmember Seth Stokes moved that the Council approve the initial term recommendations for the Planning Commission, seconded by Councilmember Kircher. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

8. Mayor appoint Chair and Vice Chair for the Planning Commission.

Mayor Garcia shared with the Council the at the Planning Commission ordinance provided that he should appoint a Chair and Vice Chair for the Planning Commission. Mayor Garcia indicated that he was selecting Rick MacDonald as the Chair for many reasons, one of which is that he has been a citizen who has consistently attended the Council meetings and shown an interest in the City. Mayor Garcia shared that he is appointing Heidi Gregory as the Vice Chair.



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Councilmember MacCullum asked if there was anyone identified to take the Planning Commission meeting minutes. Mayor Garcia stated that he was working on this but that the City Secretary would be there to make sure the meeting announcement and minutes were properly posted.

9. Council to discuss and take action, if necessary, on the installment of a mobile home at 35345 Stenzel Road, a part of Pattison's Extraterritorial Jurisdiction (ETJ)

Mayor Garcia started by sharing pictures of the tree limbs either cut down or torn down with installment of the mobile home at 35345 Stenzel Road. Mayor Garcia shared that he had received a call from Willie Ivy who had a conversation with the homeowner about the need to cut down trees. Mr. Ivy told the homeowner that the tree's were in the City of Pattison right of way and that they should be contacted. It was noted that the City was not notified.

Mayor Garcia stated that the tree limbs had been left in the ditches and with a 70% chance of rain that weekend, he contacted Byron Bruess Tree Services to pick up the limbs because of his concern for the drainage in the area. Mayor Garcia shared that he and other Councilmembers have heard from many unhappy citizens in that area.

Mayor Garcia explained that he had asked the City Attorney to get involved. The City Attorney shared that she contacted the homeowner and was told that they had a permit from the County to move the mobile home on the site. The City Attorney shared that the homeowner had been sent photographs of the damage and advised that the City would be seeking reimbursement for the clean up and the damages. The Councilmembers then discussed the issue with the County issuing permits that conflicted with the City Ordinances to include the ETJ and the remedy to the current situation.

Councilmember Stokes motioned that the City Attorney be given the authority to move in the matter seeking reimbursement for the City as well as determining the current standing with City Ordinance. Councilmember MacCullum seconded. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

10. Council to discuss and take action to approve The Katy Times as the City of Pattison's official newspaper

Mayor Garcia noted that the Katy Times which had initially indicated that it was going out of business but was no longer going to do so and could then serve as the legal newspaper for publication of the City's legal notices.



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Mayor Garcia asked for a motion to adopt a resolution to approve The Katy Times as the City of Pattison's official newspaper. Councilmember Stokes made the motion, seconded by Councilmember MacCallum. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

11. Council to discuss and take action, if necessary, authorizing City Attorney and Mayor to work with Waller County officials on obtaining the property at 3410 1st Street (Waller County Precinct 4 offices)

Mayor Garcia shared that Waller County is continuing to move forward on building a new County Annex on Hwy 90 and would be moving out the Pct. 4 building within the next 12 – 18 months. He is asking for the Council's permission to begin formal discussions with Waller County officials about obtaining the property for a Pattison City Hall. The Mayor would like to prepare a Memorandum of Understanding with the City Attorney and Waller County officials.

Councilmember Branch motioned that the City Attorney and Mayor be given authority to work with Waller County officials on obtaining the current Waller County Pct. 4 offices. The motion was seconded by Councilmember Cobio. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

12. Council to discuss and take action on joining the Salt Grass Chapter of the Texas Municipal Clerks Association.

Christa Molloy asked for permission to join the Salt Grass Chapter of the Texas Municipal Clerks Association. She shared that the cost of the association was \$70 and provided invaluable access to other City Secretaries with their list serve to help answer business process questions.

Councilmember Stokes moved that the Council approve that Christa Molloy join the Salt Grass Chapter of the Municipal Clerk's Association, seconded by Councilmember MacCullum. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

13. Council to discuss and take action, if necessary, website updates and the recommended security upgrade of email accounts to Office 365

Christa Molloy presented the updates to the website to include the conversion to the new URL Pattison.Texas.Gov, the Secure Site status, a search button, easier access on a mobile site to the drop down bar, updates to the Councilmember page, the addition of the



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Planning Commission page, updates to the Agenda and Minutes pages making views on mobile devices a better experience.

Ms. Molloy also shared her recommendations to upgrading the Council members emails from the current Webmail provided by GoDaddy.com to an Office 365 email account to be administered by GoDaddy.com. The recommendation is to ensure the security of the emails of the City as it moves the emails to the new branded Pattison.Texas.Gov. Ms. Molloy shared that the cost of the current 8 email account is \$9.99 per month (\$1.99 per account) with an annual cost of \$191.52. She shared the more secure options available starting \$7.99 per month per email account all the way up to \$17.99 per month. Ms. Molloy shared that the \$17.99 per month account which had an advanced email security and archiving features would be the best option for the City Secretary email account. She recommended the Council move into one of the Office 365 options and reminded the Council of the previous discussion that the Planning Commission members have City of Pattison email accounts. The City Attorney indicated that City email accounts for the Planning Commission were not needed at this time.

Councilmember Kircher recommended that when invitations about the Town Hall that information also be shared about our website. Councilmember Kircher motioned to approve upgrading the Mayor and City Council emails to Office 365 Online Essentials at \$7.99 per month and upgrading the City Secretary email to the Office 365 Premium Security for \$17.99 per month. Seconded by Councilmember MacCullum. The Mayor asked if there was any discussion. There being none he called for a vote. The motion passed unanimously.

14. Council to discuss and take action about participation in the National Night Out, scheduled for Tuesday, October 1, 2019

Mayor Garcia asked the City Council to consider participating in the National Night Out. That this event would be a way for local law enforcement to meet members of our community. Councilmember Stokes asked if there was a location yet. Mayor Garcia shared that it was just an idea, but planning would need to start soon. Councilmember Stokes shared his support stating that we had been trying unsuccessfully to have one for several years and thought we should try again. The Mayor asked for a motion. Councilmember Stokes moved that the City participate in National Night Out and begin planning for this event. The motion was seconded by Councilmember Branch. The Mayor asked if there was any further discussion. There being none he called for a vote. The motion passed unanimously.

15. Request from council for future agenda items and upcoming community events.



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- a. Optimist International Chili Cook-Off, Saturday, September 28, 2019,
Pattison Area Volunteer Fire Dept.

Mayor Garcia invited Valerie Williams to the podium to give information about the Optimist Chili Cook-Off. Ms. Williams provided hand outs to the Council members about the South End Optimist Club of Houston and introduced the Club President, Ms. Kay Crofts. Ms. Williams informed the Council of the many fundraisers sponsored by the Optimist Club to raise money for youth and schools. Ms. Williams asked for the Council support of the Chili Cook-Off and to provide any information or assistance that they could to help make it a success.

Mayor Garcia stated that he was looking forward to supporting the event as an individual and encouraged the Councilmembers to do so as well.

- b. Texas Municipal League Annual Conference, October 9-11, San Antonio, TX

Mayor Garcia wanted to remind the Councilmembers of the upcoming meeting and that he planned to participate. He encouraged their participation so that Councilmembers could be knowledgeable of the many legislative changes affecting the City.

Mayor Garcia asked if there were any future agenda items. Councilmember Kircher asked about the speed limit changes that had been approved and what steps needed to be taken to get the signs posted. Mayor Garcia said he would look into the matter.

VII. Adjourn Meeting

Mayor Garcia adjourned the meeting at 8:21 p.m.



Mayor, Joe Garcia

Attest:



City Secretary, Christa M. Molloy