



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 3

MEETING DATE: March 2, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on the Fiscal Year Ending (FYE) 2018 Annual Financial Report for the City of Johnson City, Texas. (Neffendorf & Knopp, P.C.)

EXECUTIVE SUMMARY:

The City Council received the preliminary FYE 2018 Annual Financial Report in Closed Session on February 2, 2021. On February 13, 2021, the final FYE 2018 Annual Financial Report was emailed to City Council for review prior to the March 2, 2012 meeting. The City Attorney reviewed and redacted certain portions of the Report due to ongoing investigations.

FINANCIAL: N/a

ATTACHMENTS:

- Governance Letter; and
- FYE 2018 Annual Financial Report.

SUGGESTED ACTION:

Motion to approve the Fiscal Year Ending (FYE) 2018 Annual Financial Report for the City of Johnson City, Texas.

PREPARED BY: CAO/City Secretary Rick Schroder

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 4

MEETING DATE: March 2, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on an Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 13 *Utilities*, Article 13.02 *Water and Sewers*, Division 1 *Generally*, Section 13.02.001 *Water and Sewer Rates*, Section 13.02.014 *Mandatory Connection to City Water and Wastewater Systems*; and adding Section 13.02.017 *Definitions* to provide for consideration of a variance request from mandatory sewer connection; and providing for an effective date. (Staff)

EXECUTIVE SUMMARY:

On February 2, 2021, City Council directed Staff to prepare an ordinance revising Municipal Code of Ordinances Chapter 13 *Utilities* to allow for consideration of variance requests from mandatory sewer connection. The City Attorney has reviewed and approved the attached Ordinance.

Generally, the Ordinance provides the following:

- Authorizes the approval of variance requests for the installation of on-site sewage facilities, or septic systems, in lieu of the mandatory wastewater system connection;
- Mandates the payment of sewer service charges for properties receiving a variance; and
- Reinforces the City's current platting requirement for un-platted properties.

FINANCIAL: N/a

ATTACHMENTS: Proposed Ordinance.

SUGGESTED ACTION:

Motion to approve an Ordinance of the City Council of the City of Johnson City, Texas amending Municipal Code of Ordinances Chapter 13 *Utilities*, Article 13.02 *Water and Sewers*, Division 1 *Generally*, Section 13.02.001 *Water and Sewer Rates*, Section 13.02.014 *Mandatory Connection*

to City Water and Wastewater Systems; and adding Section 13.02.017 Definitions to provide for consideration of a variance request from mandatory sewer connection; and providing for an effective date.

PREPARED BY: CAO/City Secretary Rick Schroder

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 5

MEETING DATE: March 2, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on a request for a variance from Municipal Code of Ordinances Chapter 13 *Utilities*, Article 13.02 *Water and Sewers*, Division 1 *Generally*, Section 13.02.014 *Mandatory Connection to City Water and Wastewater Systems* by Jason and Allison Hohenberger authorizing the installation of an on-site septic system in lieu of connecting to the City's wastewater system for 118 Crestview Drive, more particularly described as ABS A0561 Survey 41 J. Shackelford, Acres 7.17. (Applicant)

EXECUTIVE SUMMARY:

Jason and Allison Hohenberger applied for a variance requesting authorization to install a septic system in lieu of connecting to the City's wastewater system for 118 Crestview Drive on December 18, 2020.

Generally, Municipal Code of Ordinances Chapter 13 *Utilities*, Article 13.02 *Water and Sewers*, Section 13.02.014 *Mandatory Connection to City Water and Wastewater Systems* requires property owners near public utilities to connect to said utilities and pay the City for said services. If City Council approves Item No. 4 on March 2nd, however, the Code of Ordinances now allows for variance requests.

City Council reviewed the matter on January 12 and February 2, 2021. On February 2, 2021, City Council directed Staff to prepare an ordinance authorizing variances from Section 13.02.014 of the Code of Ordinances.

FINANCIAL: N/a

ATTACHMENTS:

- Variance application;
- Maps; and

- Section 13.02.014 (as of Feb. 28th) of the Code of Ordinances.

SUGGESTED ACTION:

Given that the property owners are prepared to pay the City for both water and wastewater service, City Staff recommends approval of the variance request. Neither the City's finances nor the City's wastewater capacity are negatively impacted by the variance request.

Motion to approve a request for a variance from Municipal Code of Ordinances Chapter 13 *Utilities*, Article 13.02 *Water and Sewers*, Division 1 *Generally*, Section 13.02.014 *Mandatory Connection to City Water and Wastewater Systems* by Jason and Allison Hohenberger authorizing the installation of an on-site septic system in lieu of connecting to the City's wastewater system for 118 Crestview Drive, more particularly described as ABS A0561 Survey 41 J. Shackelford, Acres 7.17.

PREPARED BY: CAO/City Secretary Rick Schroder

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 8

MEETING DATE: **March 2, 2021**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Approval of the FYE 2021 Revenue and Expenditure, Check Register, and Posted Transaction Reports dated February 28, 2021. (Staff)

EXECUTIVE SUMMARY: See Financial Section.

FINANCIAL: 41.67% of the fiscal year lapsed.

Fund	Budget	Actual	Percent
General Fund Revenues	\$1,517,707	\$1,146,656	75.6%
General Fund Expenses	\$1,517,707	\$707,699	46.6%
HOT Revenues	\$70,000	\$26,761	38.2%
HOT Expenses	\$70,000	\$16,678	23.8%
Utility Revenues	\$525,000	\$288,097	54.9%
Utility Expenses	\$525,000	\$237,737	45.3%
Debt Service Revenues	\$198,733	\$185,472	93.3%
Debt Services Expenses	\$198,733	\$21,125	10.6%
VERP Revenues	\$35,000	\$25,772	73.6%
VERP Expenses	\$35,000	\$279	0.8%

ATTACHMENTS:

- FYE 2021 Revenue and Expenditure, Check Register, and Posted Transaction Reports for period 2/1/21 thru 2/28/21.

SUGGESTED ACTION:

Motion to approve the FYE 2021 Revenue and Expenditure, Check Register, and Posted Transaction Reports dated February 28, 2021.

PREPARED BY: CAO/City Secretary Rick Schroder

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 9

MEETING DATE: **March 2, 2021**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on the selection of an engineering firm rated as most qualified by the Evaluation Committee for the 2021-2022 Community Development Block Grant Program grant application preparation and, if funded, project implementation. (Staff)

EXECUTIVE SUMMARY:

Engineering services are being solicited to assist the City of Johnson City with development of its grant application and provide project implementation of a construction contract, if awarded, from the 2021-2022 Texas Community Development Fund of the Texas Community Development Block Grant Program of the Texas Department of Agriculture (TDA).

Actions previously taken:

- The City has published an engineering procurement ad in local paper.
- The City has delivered Request for Proposal packages to at least 5 area engineering firms (either certified mail or e-mail).
- Engineering firms have sent responses to City by March 1 Proposal deadline.
- City has named a Selection Committee with at least three members.

Steps required to select the most qualified firm:

- In Step One, the Selection Committee reviews submitted materials to ensure proposals meet minimum requirements, and checks references.
- In Step Two, Selection Committee meets to review and score the submitted proposals utilizing the provided Evaluation Form. Each committee member will complete one form for each Engineering Firm Proposal.
- In Step Three, the Selection Committee Chair fills out and signs the Summary Page documenting the highest rated engineering firm.

- In Step Four, the Selection Committee Chair reports to the City Council on March 2nd the number of firms submitting proposals, discusses the evaluation process and identifies the firm evaluated as most qualified.
- In Step Five, the City Council takes action to name the most qualified firm.
- The City Council MAY award the contract agreement on March 2nd, if desired. Note: Some engineers decline to submit contracts until the application has been funded. A signed contract is not required in order to submit the grant application.

FINANCIAL: N/a

ATTACHMENTS:

- Rating sheet; and
- Summary sheet.

SUGGESTED ACTION:

No motion provided because proposals have not been received as of the date of this memorandum.

PREPARED BY: Gandolf Burrus / CAO/City Secretary

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 10

MEETING DATE: March 2, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and direction on a proposed Lease Agreement between the City of Johnson City, Texas and the Blanco County Emergency Services District No. 1 for the lease of property located, generally, south of Ranch Road 2766 and east of Block 2 of the Winters-Furr Subdivision and currently housing the Johnson City Recycling Center. (ESD No. 1)

EXECUTIVE SUMMARY:

Following the City Council meeting dated December 8, 2020, City Staff contacted David O'Bannon, President of ESD No. 1, to discuss the current Lease Agreement between the North Blanco County Emergency Medical Service (assumed by ESD No. 1) and the City of Johnson City, Texas for property on which the City's Recycling Center is located. City Staff sought to mutually address the concerns of two competing Council viewpoints on the City's current Recycling Center operations by proposing the following:

1. Renegotiated lease agreement with a shortened lease term (10 years); and
2. Financial assistance (\$50,000) from ESD No. 1 on the Community Development Block Grant replacing and/or repairing existing fire hydrants throughout the community.

The City could:

1. Do nothing and continue the status quo;
2. Stop Recycling Center operations, but still maintain the facilities until the assets fully depreciate; or
3. Eliminate the Recycling Center and pay the State the remaining amount of depreciation (\$50,800 est).

ESD No. 1 indicated that the City would not be able to continue to lease the property and use it for another purpose. Moreover, ESD No. 1 has not provided any additional information on financial assistance for the fire hydrant grant referenced above.

City Staff received the attached Lease Agreement on February 18, 2021, and the Mayor and CAO/City Secretary attended, via Zoom, the ESD No. 1 meeting on February 22, 2021 where the proposed Lease Agreement was initially discussed.

Without commenting on the continued viability or utility of the City's Recycling Center, City Staff provides the following comments on the proposed Lease Agreement:

1. It is City Staff's opinion that the original ninety-nine (99) year agreement remains in force given Section 15.02 of the agreement: *This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representative, successors, and assigns where permitted by this agreement.* The agreement became effective in September 1993 and runs through August 2092.
2. The original agreement provided for a 110' x 150' lease space and a 30' wide easement for ingress and egress. The proposed agreement reduces the size to 110' x 110' and eliminates the 30' wide easement.
3. The proposed agreement decreases the lease term to 2 years.
4. The original agreement required a commercial general liability insurance policy only. The proposed agreement mandates that the City provide *any* insurance required by the Lessor, including a pollution and/or hazardous uses policy.
5. The original agreement allowed only the Lessee (i.e. the City) to terminate the agreement with at least 30 days written notice. The proposed agreement allows either the Lessee or Lessor to terminate the agreement with at least 30 days written notice, and the proposed agreement mandates removal of all structures within a 15-day period. The original agreement allowed the City to remove *or* leave any building then existing on the property.
6. The proposed agreement generally eliminates the following italicized provisions:
 - a. Sec. 9.01. Lessor shall on the commencement date of the term of this lease as hereinabove set forth, place Lessee in quiet possession of the leased premises *and shall secure him in the quiet possession thereof.*
 - b. Sec. 9.02. Lessor covenants that the leased premises are not subject to any lien, claim or encumbrance, *and Lessor will not subject the premises to any such lien, claim or encumbrance without the prior written consent of Lessee.*
 - c. Sec. 12.01. Lessee shall not assign this lease nor sublet all or a portion of the leased premises without the prior written consent of Lessor, *except that Lessee may sublet without prior consent to its agents or contractors for the same purposes as herein granted that being a facility for use in connection with recycling.*
 - d. *During the term of this Lease Agreement, Lessor shall be obligated to give written notice to Lessee, of any bona fide third party offers to purchase the subject premises, to include the price, terms and condition of said third party's offer, after which time Lessee shall have ten (10) business days from said to such price, terms and conditions, with such election to be evidenced by the execution of an appropriate Earnest Money Contract, during said time. In the event Lessee does not elect to exercise his right of first refusal as herein provided and pending third party's offer to not consummate, Lessee's right of first refusal is again reinstated insofar as any subsequent third party's offer which Lessor receives during the above prescribed time.*

7. The proposed agreement mandates that the Lessor shall approve the Lessee's counsel.
8. The proposed agreement mandates that the Lessee's contractual obligations to the Lessor survive termination of the agreement.

Following a meeting between the Mayor, City Staff, Mr. O'Bannon, and Judge Bray, Mr. O'Bannon asked whether the County would allow the City to move its recycling center operations to County property. Judge Bray indicated that he would place this issue on a March 2021 County Commissioner's meeting for discussion.

The City Attorney has not reviewed the proposed Lease Agreement.

FINANCIAL: See above.

ATTACHMENTS: Proposed Lease Agreement.

SUGGESTED ACTION:

No motion provided; however, City Staff contends that the proposed Lease Agreement dramatically amends key provisions of the original agreement in favor of the ESD No. 1.

PREPARED BY: CAO/City Secretary

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 11

MEETING DATE: March 2, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on proposed City Council Policies and Procedures establishing City Council and other Board and/or Commission responsibilities, processes, and conduct. (Staff)

EXECUTIVE SUMMARY:

The Johnson City City Council adopted policies and procedures in October 2007. A copy of said policies and procedures can be found online under Municipal Code of Ordinances Chapter 1 *General Provisions*, Article 1.03 *City Council*, Division 2 *Meetings and Rules of Procedure*.

TML excerpts:

- Regardless of the administrative structure used, every city council should operate on the basis of written policies that set out the specific powers and duties of all the city's departments and officials, and some method should be established for ensuring that those policies are carried out. Policy decisions are not implemented automatically, and no matter how much careful thought may go into their preparation, there is always a management job to be done. Someone must assume the responsibility for organizing and controlling the city's administrative machinery.
- Most cities have policies on how to place items on an agenda, and we recommend cities adopt such a policy to avoid confusion.

The proposed policy is taken from another municipality, and it establishes responsibilities, processes, and conduct for the City Council, other Boards and/or Commissions, and Staff. Should the proposal be adopted, City Staff would recommend repealing Division 2 identified above at a later date.

FINANCIAL: N/a

ATTACHMENTS: Proposed Policies and Procedures.

SUGGESTED ACTION:

Motion to approve proposed City Council Policies and Procedures establishing City Council and other Board and/or Commission responsibilities, processes, and conduct.

PREPARED BY: CAO/City Secretary

DATE SUBMITTED: 2/28/21



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 12

MEETING DATE: **March 2, 2021**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on the creation of an online commercial property, site selection, and analysis database for economic development purposes for the City of Johnson City, Texas, and authorizing the Chief Administrative Officer to negotiate and execute contracts with REsimplifi and GIS WebTech in the amount of \$3,750.00 and \$7,750.00, respectively, for the same. (Staff)

EXECUTIVE SUMMARY:

Information is one key to a successful economic development program within any municipality. City Staff proposes the development of an online site selection database intended for the commercial development community to expand economic development activities and growth within the City of Johnson City. The proposal includes two parts (taken from REsimplifi and GIS WebTech):

1. REsimplifi - A platform that collects and manages land and building property data (both for sale and lease) within the City of Johnson City and surrounding areas (eligible for annexation). The data is updated by REsimplifi, commercial real estate professionals, and City Staff.
2. GIS WebTech – A platform that integrates REsimplifi properties into an online portal that shows consumer demographic and analytical data on an ESRI platform. The platform highlights the community’s overall and area-specific profiles and the needs, trends, and spending habits of consumers. Moreover, the platform supports existing small businesses by providing them customer segmentation data for marketing and/or expansion.

FINANCIAL:

REsimplifi - \$3,750.00 annually
GIS WebTech - \$5,800.00 annually and one-time setup fee of \$1,950.00

Total - \$11,500.00 first year
 \$9,550.00 thereafter

No historically underutilized businesses were identified in Blanco County that perform said work.

City Staff propose funding the above through General Fund line item nos. 01-010-6093 *Retirement Health Insurance* (\$2,300), 01-020-6339 *Outside Agency Funding* (\$2,300), 01-030-6118 *Software* (\$2,300), 01-080-6332 *Park Mntc. & Improvements* (\$2,300), and 01-090-6714 *Solid Waste Collection & Recy.* (\$2,300).

ATTACHMENTS:

- REsimplifi proposal; and
- GIS WebTech proposal.

SUGGESTED ACTION:

Motion to approve the creation of an online commercial property, site selection, and analysis database for economic development purposes for the City of Johnson City, Texas, and authorizing the Chief Administrative Officer to negotiate and execute contracts with REsimplifi and GIS WebTech in the amount of \$3,750.00 and \$7,750.00, respectively, for the same.

PREPARED BY: CAO/City Secretary

DATE SUBMITTED: 2/28/21