



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

ITEM NOS. 14 & 15

MEETING DATE: July 6, 2021

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on a Resolution of the City Council of the City of Johnson City approving and authorizing (i) the execution and delivery of *Notice of Cessation of the City of the City of Johnson City's Use of Property as a Recycling Facility and of Closure of the Facility and of Termination of Lease Agreements between the City of Johnson City and the North Blanco County Emergency Medical Service*, and (ii) execution of the *Agreement of Amendment to and Termination of Lease Agreements* between the City and the North Blanco County Emergency Medical Service. (Staff)

Discussion of and action on a Resolution of the City Council of the City of Johnson City approving the *Memorandum of Understanding between the City and the North Blanco County Emergency Service District No. 1* regarding the FY 2021-22 Community Development Block Grant. (Staff)

STRATEGIC WORK PLAN:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Not Applicable | <input type="checkbox"/> Goal 5: Improve Fire Safety |
| <input type="checkbox"/> Goal 1: Increase Housing Diversity | <input type="checkbox"/> Goal 6: Improve Streets |
| <input type="checkbox"/> Goal 2: Expand Quality Lodging | <input type="checkbox"/> Goal 7: Increase Publicity & Promotion of the Community |
| <input type="checkbox"/> Goal 3: Improve Code Enforcement | <input type="checkbox"/> Goal 8: Increase Economic Development Activities |
| <input type="checkbox"/> Goal 4: Improve Streetscaping & Signage | |

EXECUTIVE SUMMARY:

On November 10, 2020, the City Council requested a copy of and discussion on the CAPCOG Interlocal Contract for Solid Waste Equipment and Services related to the City of Johnson City Recycling Center.

The City Council received said information on December 8, 2020. Discussion included closing the Recycling Center until the facility completely depreciates; halting commercial onsite cardboard collection and leaving the Center open for drop off only; or reducing the Center's hours of operation. Discussion also included how closing the facility would affect the existing lease between the City and the Emergency Services District No. 1 (ESD). Councilmembers Babb, Coleman, Young, and Guthrie voiced their support for either closing or shortening the hours of the Recycling Center.

The City Council discussed the Recycling Center and existing and proposed lease agreements between the City and the ESD again on March 2, 2021. The proposed lease deletes key provisions contained within the current lease and requires additional items. Council discussed the current lease's validity and whether the City was obligated to enter into a new lease. One option discussed was to move the Center to a new location. Renegotiating the proposed lease terms was also discussed. The item was tabled.

City Staff sought additional guidance from CAPCOG and TCEQ following the March 2, 2021 City Council meeting. On April 29, 2021, CAPCOG advised that TCEQ was 1) willing to use the City's depreciation methodology and 2) reduce the amount owed from approximately \$51,000 to \$28,621.88. If the City Council desires to close the Recycling Facility, the City would be required to issue a check for the abovementioned amount to CAPCOG/TCEQ. The City would then notify the ESD of its intentions to terminate the current lease agreement.

On May 4, 2021, City Council inquired if the ESD would purchase the building and if the contract was negotiable. In addition, Council considered keeping the Recycling Center open on a limited basis and reassigning current personnel. Councilmember Coleman made a motion to table the item after it was agreed that City representatives would meet with the ESD Board of Directors on the matter. Councilmember Dildine seconded the action. The item was tabled.

On May 13, 2021, Mayor Stell, Councilmen Coleman and Young, and City Staff met with ESD President O'Bannon and Board Member Kirk McElhinney. Collectively, the City agreed to present to City Council for its consideration and approval:

- a) A Resolution authorizing the closure of the City Recycling Center facility by September 30, 2021. As proposed, the facility would close by the end of the current fiscal year, and, in the interim, City Staff would be able to liquidate existing personal property (bailer, trailers, etc.), notify current commercial cardboard recycling customers of the closure, and include within the FYE 2022 budget a payoff amount for CAPCOG.

- b) A Resolution of the City Council of the City of Johnson City approving a Memorandum of Understanding between the City and the North Blanco Co. Emergency Services District No. 1 (ESD) regarding lease agreements.
- c) A Resolution of the City Council of the City of Johnson City approving and authorizing the execution of the First Amendment to the Lease Agreements between the City and the ESD.

Subparagraphs b and c above provide notice of lease termination effective September 30, 2021 and provide for the following lease amendments prior to termination:

ARTICLE 8. SOONER TERMINATION

Lessee, at Lessee's option, may terminate this Lease by written notice to Lessor at least thirty (30) days in advance of the termination date in the even it ceases the use of the leased property in connection with recycling. This agreement is null and void thirty (30) days after the Lessee terminates its recycling operation. Accordingly, all rights, duties, performance, and obligations by and/or owed to the other Party shall cease, and each Party shall be released and discharged from and against any all actions of any nature whatsoever now and in the future arising out of the Lease Agreement, including any activities undertaken pursuant to the Agreement.

Article 10. SURRENDER OF PREMISES

Removal of Property

10.01. Lessee shall, at its own cost and expense prior to September 30, 2021, remove all personal property from the premises, including, but not limited to, machinery, equipment, and supplies. Both parties agree that all buildings, structures, and/or flatwork existing on the premises as of September 30, 2021 will be left as-is, and the Lessee shall not be obligated to remove any buildings, structures, and/or flatwork.

On June 1, 2021, the City Council reviewed revised agreements received from the ESD on the Recycling Center matter. The Council voiced concerns over removing equipment by September 30th. Moreover, there was also hesitation over the wording requiring the City to return the property to its pre-lease state.

With regard to the ESD grant reimbursement, Council directed City staff to address Section 8 of the MoU and add an interlocal agreement.

FINANCIAL:

\$28,621.88 budgeted in Fiscal Year Ending 2022. Existing on-site personal property would be sold through auction.

ATTACHMENTS:

- A Resolution of the City Council of the City of Johnson City approving and authorizing (i) the execution and delivery of *Notice of Cessation of the City of the City of Johnson City's Use of Property as a Recycling Facility and of Closure of the Facility and of Termination of Lease Agreements between the City of Johnson City and the North Blanco County Emergency Medical Service*, and (ii) execution of the *Agreement of Amendment to and Termination of Lease Agreements* between the City and the North Blanco County Emergency Medical Service.
- A Resolution of the City Council of the City of Johnson City approving the *Memorandum of Understanding between the City and the North Blanco County Emergency Service District No. 1* regarding the FY 2021-22 Community Development Block Grant. (Staff)

SUGGESTED ACTION:

Motion to approve a Resolution of the City Council of the City of Johnson City approving and authorizing (i) the execution and delivery of *Notice of Cessation of the City of the City of Johnson City's Use of Property as a Recycling Facility and of Closure of the Facility and of Termination of Lease Agreements between the City of Johnson City and the North Blanco County Emergency Medical Service*, and (ii) execution of the *Agreement of Amendment to and Termination of Lease Agreements* between the City and the North Blanco County Emergency Medical Service; and a Resolution of the City Council of the City of Johnson City approving the *Memorandum of Understanding between the City and the North Blanco County Emergency Service District No. 1* regarding the FY 2021-22 Community Development Block Grant.

PREPARED BY: City Staff

DATE SUBMITTED: July 2, 2021

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE NORTH BLANCO COUNTY EMERGENCY SERVICES DISTRICT NO. 1 REGARDING THE FY 2021-22 COMMUNITY DEVELOPMENT BLOCK GRANT

Recitals

Whereas, the City Council of the City of Johnson City (“City”) has applied for a Community Development Block Grant (“CDBG”) for Fiscal Year 2021-22 to be issued by the Texas Department of Agriculture (“TDA”) for the (i) replacement and/or repair of malfunctioning fire hydrants and insertion valves throughout the City, and (ii) for the addition of new fire hydrants and insertion valves in the City; and

Whereas, the application is for a grant total of \$350,000 (“Grant”) (i) for the replacement and/or repair of 19 malfunctioning fire hydrants and 12 insertion valves, and (ii) for the addition of new fire hydrants and insertion valves in the City, and the City’s share of the cost total \$117,150; and

Whereas, to fulfill its purpose “...to protect the Lives and Property of the Citizens of the District, with Fire Protection...”, the ESD has agreed, following payment of the Grant to the City, to reimburse the City the amount of \$50,000.00 (“ESD Reimbursement”) for the City’s Application for Fees and Costs, subject to and in compliance with all rules and regulations governing payments by Emergency Service Districts in the state of Texas ; and

Whereas, the City Council and ESD desire to entire into a Memorandum of Understanding (“MOU”), attached hereto as Exhibit “A” and incorporated fully herein, for the ESD’s assistance.

Now, therefore, be it resolved by the City Council of the City of Johnson City that:

Section 1. The foregoing recitals are adopted as facts and incorporated fully herein.

Section 2. The City Council approves the terms in the MOU and authorizes the Mayor to execute the MOU on behalf of the City and to deliver copies of this Resolution to the ESD.

Section 3. This Resolution shall be effective immediately upon adoption by the City Council.

PASSED AND APPROVED by the City Council of the City of Johnson City, Texas on the 6th day of July, 2021.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary

MEMORANDUM OF UNDERSTANDING

between

The City of Johnson City and
The North Blanco County Emergency Services District No. 1

This Memorandum of Understanding (“MOU”) is entered into by and between the City of Johnson City (“City”) and the North Blanco County Emergency Services District No. 1 (“ESD”), collectively “the Parties”.

Whereas, the City provides all improvements and facilities for fire protection within the city limits of Johnson City; and,

Whereas, the Bylaws of the ESD (“Bylaws”) provide, *inter alia*,

in Article I, Section 3, Purpose, “The purpose of the District shall be to protect the Lives and Property of the Citizens of the District, with Fire Protection, Emergency Medical Services and Ambulance Services, and any other services that it can render.”

in Article I, Section 4, Entities, “The Johnson City Volunteer Fire Department, the Round Mountain Volunteer Fire Department and the North Blanco County Emergency Medical Service are the District’s three Entities.”

in Article VIII, Section 1, Boundaries, “The boundaries of the District shall encompass the boundaries of Johnson City Independent School District within Blanco County.” and,

in Article IX, Section 1, Service Contracts, “The District shall have the authority to enter into service contracts with groups or individuals in order to provide the best possible protection for the citizens of the District.”;

and,

Whereas, on November 20, 2017, the ESD and the Johnson City Volunteer Fire Department (“JCVFD”) entered into a service contract (“Service Contract”) which states in Section 1, Consideration, paragraph 1.1, “In consideration for the monies and equipment to be provided [by the ESD] to the [JCVFD] under the terms of this Agreement, the [JCVFD] will provide the following services (collectively referred to below as “Fire Services”) within the District’s legal boundaries on a 24-hour basis: Fire Protection and Suppression; Fire Prevention; Hazardous Materials Response, at the level qualified; First Responder Emergency Medical Services, when qualified; Emergency Rescue; and, Other assistance to the public as necessary.”; and,

Whereas, in order for the JCVFD to provide fire protection services for the City as required by the Service Contract, each fire hydrant and insertion valve in the City must be, and at all times remain, (i) in compliance with all applicable rules and regulations governing their use, (ii) in good

operating condition necessary for their intended use, and (iii) in compliance with all rules, regulations and best industry standards and practices applicable to such fire hydrants and insertion valves; and,

Whereas, the City desires to upgrade and improve its fire protection facilities and has applied for a Community Development Block Grant (“CDBG”) for Fiscal Year 2021-22 to be issued by the Texas Department of Agriculture (“TDA”) for the (i) replacement and/or repair of malfunctioning fire hydrants and insertion valves throughout the City, and (ii) for the addition of new fire hydrants and insertion valves in the City; and,

Whereas, the application is for a grant total of \$350,000 (“Grant”) (i) for the replacement and/or repair of 19 malfunctioning fire hydrants and 12 insertion valves as depicted on Exhibit “A”, attached hereto and incorporated fully herein, and (ii) for the addition of new fire hydrants and insertion valves in the City; and,

Whereas, the City’s application fees and costs total \$117,150 (“City’s Application for Fees and Costs”), and include \$2,400 for the application fee, \$40,250 for the grant administration fee, \$35,000 for the City’s cash match/contribution, and \$39,500 for engineering fees; and,

Whereas, to fulfill its purpose “...to protect the Lives and Property of the Citizens of the District, with Fire Protection...”, the ESD has agreed, following payment of the Grant to the City, to reimburse the City the amount of \$50,000.00 (“ESD Reimbursement”) for the City’s Application for Fees and Costs, subject to and in compliance with all rules and regulations governing payments by Emergency Service Districts in the state of Texas; and,

Whereas, the Parties desire to enter into this MOU for the ESD Reimbursement,

Now, therefore, it is mutually understood and agreed between the Parties as follows:

1. The Parties will work together to achieve the purpose of this MOU.
2. This MOU is not intended to, and does not, (a) create any rights or benefits by or between the Parties; (b) does not establish or create any type of formal agreement or obligation by or between the Parties; and, (c) is intended only to assist the Parties in their efforts related to the ESD Reimbursement, subject to and in compliance with all rules and regulations governing payments by Emergency Service Districts in the state of Texas.
3. The ESD will pay the ESD Reimbursement to the City within seven (7) days following receipt by the City of the Grant from the TDA.
4. The ESD shall draft and provide to the City all documents the ESD deems necessary or appropriate for the Reimbursement, including but not limited to an Interlocal Cost Sharing Agreement (“Reimbursement Conditions Documents”).

5. The City shall consult with the ESD on specifications of improvements for the project which specifications shall be consistent with each of the provisions of this MOU and the Reimbursement Conditions Documents.

6. The ESD shall not be responsible for any contribution to the City if the grant is not approved and/or funded.

7. This MOU is effective on the date of the last signature of the Parties. This MOU shall automatically terminate and become void if the if the City’s Application for Fees and Costs is not approved.

8. This MOU shall terminate on June 30, 2022.

In witness whereof, the Parties execute this MOU as of the last written date indicated below and in accordance with the Resolutions of the City Council of the City dated July 6th, 2021, and the Board of Directors of the North Blanco County Emergency Services District No. 1 dated July _____, 2021, both attached hereto as Exhibits “B” and “C”, respectively, and incorporated fully herein.

Rhonda Stell
Mayor
City of Johnson City, Texas

David O’Bannon
President
North Blanco Co. ESD No. 1

Date: _____

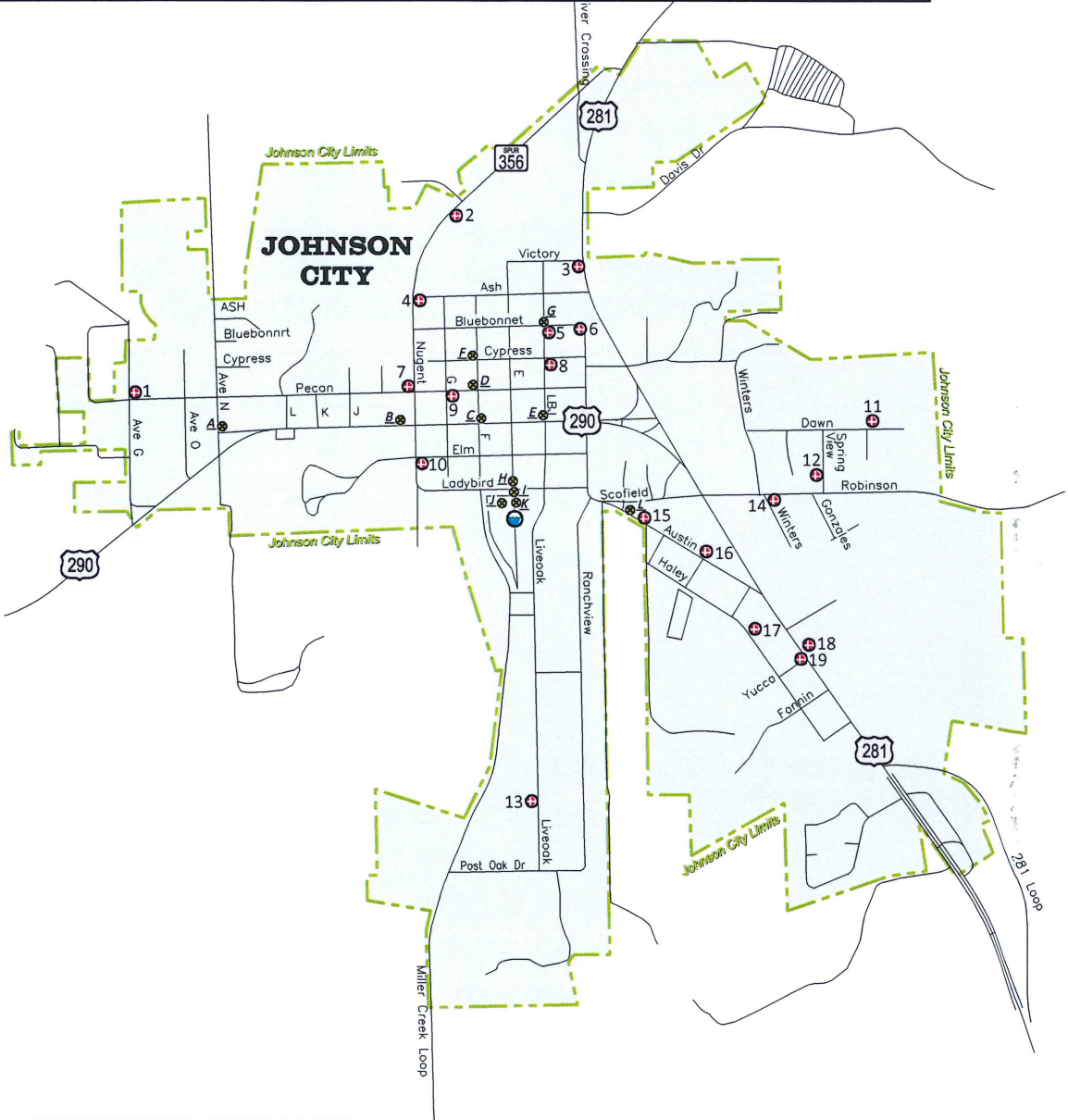
Date: _____

Attest:

Rick Schroder, City Secretary

Date: _____

CITY OF JOHNSON CITY
2021/22 CDBG Water System Improvements Project
Water Loss Mitigation: Isolation Valves + Fire Hydrant Replacement Project
CITYWIDE BENEFIT



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LEGEND

- City Limits = Service Area
- = Existing 150,000 Gallon Elevated Tank
- = Insertion Valve
- 19 = Existing Fire Hydrant Location and Reference Number

(Fire Hydrant)
 (Valve) (Water Main)

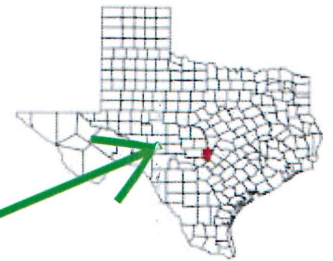
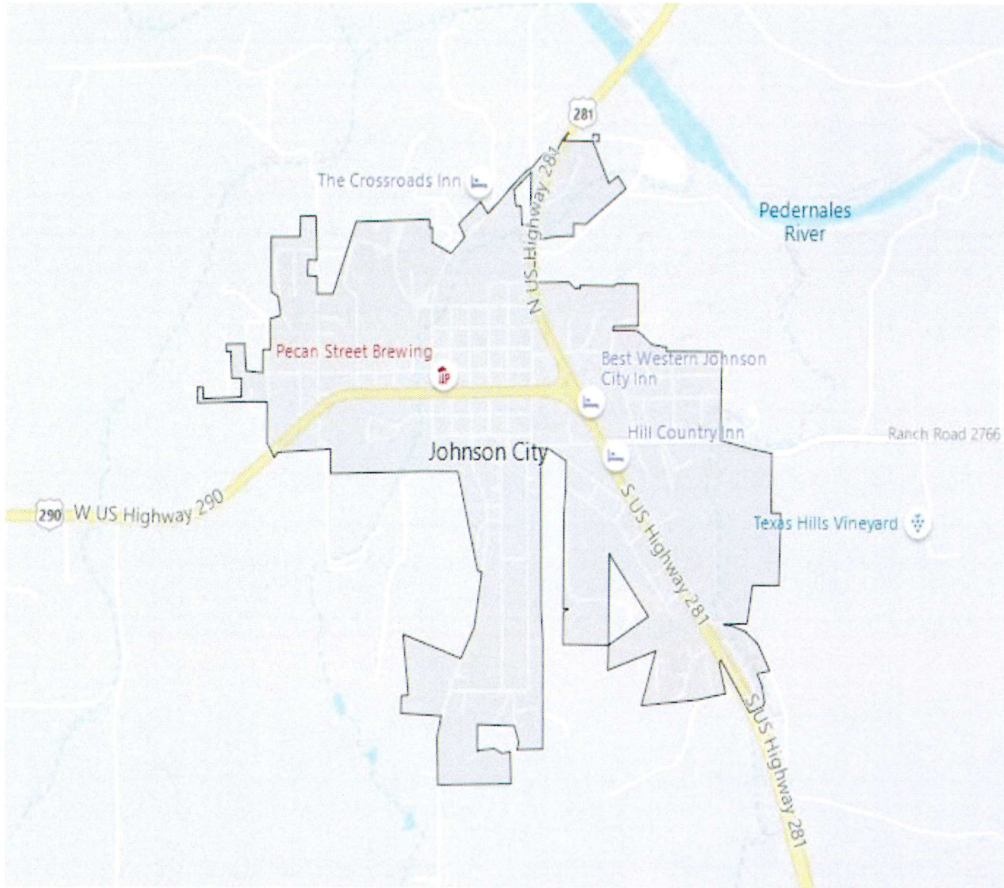


FIGURE 1

WATER LOSS MITIGATION PROJECT
 City of Johnson City, Texas

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 TBPE Firm Registration No. F-516
 1106 South Mays, Suite 101
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City of Johnson City, Blanco Co, TX Vicinity Map



BLANCO COUNTY