

HEWITT TEXAS

CITY COUNCIL MEETING AGENDA

April 1, 2019

Workshop/Regular Meeting - 7:00 PM

CITY HALL, 200 PATRIOT COURT

HEWITT, TX 76643

MAYOR AND CITY COUNCIL

Ed Passalugo – Mayor, Ward 3

Steve Fortenberry – Mayor Pro Tem, Ward 3

Travis Bailey – Council Member, Ward 1

Wilbert Wachtendorf – Council Member, Ward 1

Bill Fuller – Council Member, Ward 2

James Vidrine – Council Member, Ward 2

Erica Bruce – Council Member At-Large

CITY STAFF

Bo Thomas, City Manager

Michael W. Dixon, City Attorney

Miles Whitney, City Engineer

Lydia Lopez, City Secretary

Jim Devlin, Police Chief

Lee Garcia, Finance Director

Lance Bracco, Fire Chief

Waynette Ditto, Library Director

Katie Allgood, Managing Director

Tracy Lankford, Community Dev. Director

Tuck Saunders, Assistant Police Chief

Kevin Reinke, Utilities Director

HEWITT TEXAS

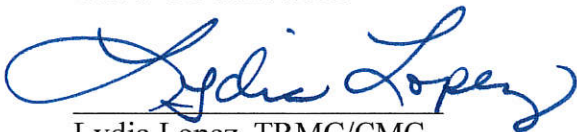
NOTICE OF MEETING OF THE GOVERNING BODY

Notice is hereby given that a **Regular** meeting of the governing body of the City of Hewitt will be held on the **1st day of April, 2019, at 7:00 PM in Hewitt City Hall, Council Workshop Room/Council Chambers, 200 Patriot Court**, Hewitt, Texas, at which time the following subjects will be discussed and upon which action may be taken:

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Presentation of report from City Engineer
 - Update on pending utility projects.
 - Update on pending street projects.
 - Update on pending drainage projects.
4. Consider approval of minutes of the City Council Workshop/Regular Meeting of March 18, 2019.
5. Briefing and discussion concerning upcoming events:
 - Brush & Bulk Collection Service Day – April 13, 2019, 7 am – 12 noon, 1301 S. Hewitt Drive
 - Meet the City Manager – April 4, 2019 – 4:30 – 6:00 PM, City Hall/Council Chambers.
6. Hear visitors on matters pertaining to city business. *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.*
7. Consideration and action concerning award of bid for Municipal Depository Services.
8. Consideration and action on appointment to the Parks & Beautification Board.
9. Consideration and action on reappointments to the Zoning Board of Adjustment.
10. Adjourn

I, the undersigned authority, do hereby certify that the above notice of meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 4:00 AM/PM on March 27, 2019.

CITY OF HEWITT



Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the American with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in this Council Meeting. To better serve you, request must be made at least 24 hours prior to the meeting. Contact the City Secretary at 254.666.6171 or by fax at 254.666.6014. The building is wheelchair accessible, with handicap parking available at the front of the building.



AGENDA ITEM #3 - City Engineer's Report

HEWITT TEXAS II

CITY ENGINEER'S REPORT

March 27, 2019

Utility Projects

Lift Station No. 5 Removal / I-35 Waterline Replacement; Phase 1

Waterline portion of the project is completed. They are to begin working on the sewer portion.

IH - 35 Waterline; Phase 3

Castleman Creek to Glenleigh

- Contract documents have been sent for execution.

Sun Valley Rd.; Waterline

City's crews are to complete tie-ins to bore performed in a previous project, once clean back-t samples are received.

Plant No. 1; Chemical Disinfectant Building; (Community Services)

Contract documents have been sent for execution.

FM 2113; Spring Valley Rd.

The City has been in discussions with TxDOT working towards finalizing the scope of the projected utility relocations.

Street Projects

Ritchie Road Improvements; (From Warren Dr. to Park Place Dr.)

Contractor has begun with the utility relocations in out portion of the project. There are ongoing discussions regarding the condition of Hewitt's/County's portion of the roadway.

Old Temple Rd. / Attaway Rd; Street Improvements

Should be receiving executed contract documents back shortly.

Boleman Dr. Reclaim

Should be wrapping up design on this shortly.

HEWITT TEXAS II

CITY ENGINEER'S REPORT

March 27, 2019

April/December; Mill and Overlay

Should be wrapping up design on this shortly.

2019 Slurry Seal Project

Will begin advertising for this project shortly.

Drainage Projects

920/924 Oakmont Dr.; 36" RCP Storm Sewer

Met with property owners and discussed the results of our measurements.

By:



Miles W. Whitney, P.E.
Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: April 1, 2019

AGENDA ITEM #: 4

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the City Council Workshop/Regular Meeting of March 18, 2019.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a draft copy of the meeting minutes. Please review and advise if any corrections are needed.

SUGGESTED MOTION:

"I move approval of the minutes as presented but allow for corrections."

ATTACHMENTS:

Draft minutes

HEWITT TEXAS

MINUTES OF A CITY COUNCIL WORKSHOP/REGULAR MEETING HEWITT CITY HALL – 200 PATRIOT COURT March 18, 2019 – 6:00 PM

Members present: Mayor Ed Passalugo (presiding), Mayor Pro Tem Steve Fortenberry, Council Members, Wilbert “Walky” Wachtendorf, Bill Fuller, Travis Bailey, and Erica Bruce

Member absent: Council Member James Vidrine

Staff present: City Manager Bo Thomas, Assistant Police Chief Tuck Saunders, Fire Chief Lance Bracco, Community Development Director Tracy Lankford, Finance Director Lee Garcia, Library Director Waynette Ditto, Utilities Director Kevin Reinke, Managing Director Katie Allgood and City Secretary Lydia Lopez

Staff absent: City Attorney Mike Dixon and Police Chief Jim Devlin

WORKSHOP – 6:00 PM

1. Mayor Passalugo called meeting to order at 6:00 PM.
2. Briefing and discussion concerning upcoming events:
 - Brush & Bulk Collection Service Days – April 13 and April March 30, 2019, 7 am – 12 noon, 1301 S. Hewitt Drive. City Manager Bo Thomas noted correct dates.
3. Briefing and discussion concerning 2018 Audit with Diana L. Ward, CPA Shareholder, Jaynes, Reitmeier, Boyd & Therrell, P.C.
4. **ADJOURN.** *A motion was made by Council Member Bill Fuller and second by Council Member Travis Bailey to adjourn the Workshop meeting at 6:35 PM, all six in favor, motion passed.*

REGULAR MEETING – 7:00 PM

1. **CALL TO ORDER.** Mayor Ed Passalugo called the meeting to order at 7:00 PM.
2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG.** Mayor Ed Passalugo asked Council Member Bill Fuller to lead the Pledge of Allegiance.
3. **CONSIDER APPROVAL OF MINUTES OF THE CITY COUNCIL REGULAR MEETING OF MARCH 4, 2019.**

MOTION: Council Member Wilbert “Walky” Wachtendorf moved to approve the minutes as presented but allow for corrections.

SECOND: Council Member Travis Bailey

AYES: Fuller, Bailey, Wachtendorf, Fortenberry, Bruce, Passalugo

NAYES: None

ABSENT: Vidrine

MOTION PASSED.

4. **HEAR VISITORS ON MATTERS PERTAINING TO CITY BUSINESS.** *Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.*
NONE

5. **CONSIDER AND AWARD BID FOR 2018 – PLANT NO. 1; CHEMICAL BLDG. IMPROVEMENTS PROJECT TO BARLOW TANK CO., INC., IN AN AMOUNT OF \$117,340.**

MOTION: Mayor Pro Tem Steve Fortenberry to approve bid award for 2018 – Plant No. 1; Chemical Bldg. Improvements Project to Barlow Tank Co., Inc., in the amount of \$117,340.

SECOND: Council Member Travis Bailey

AYES: Fuller, Bailey, Wachtendorf, Fortenberry, Bruce, Passalugo

NAYES: None

ABSENT: Vidrine

MOTION PASSED.

6. **CONSIDER AND AWARD BID FOR 2018 – I-35 WATERLINE REPLACEMENT; PHASE 3 PROJECT TO BLACK ROCK CONSTRUCTION IN AN AMOUNT OF \$587,650.**

MOTION: Council Member Wilbert “Walky” Wachtendorf moved to approve bid award for 2018 – I-35 Waterline Replacement; Phase 3 Project to Black Rock Construction in the amount of \$587,650.

SECOND: Council Member Travis Bailey

AYES: Fuller, Bailey, Wachtendorf, Fortenberry, Bruce, Passalugo

NAYES: None

ABSENT: Vidrine

MOTION PASSED.

7. **MOTION TO ACCEPT THE FISCAL YEAR 2017-2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).**

MOTION: Council Member Travis Bailey moved to approve Ordinance No. 2019-05.

SECOND: Council Member Erica Bruce

AYES: Fuller, Bailey, Wachtendorf, Fortenberry, Bruce, Passalugo

NAYES: None

ABSENT: Vidrine

MOTION PASSED.

8. **ADJOURN.** *A motion was made by Council Member Travis Bailey and second by Council Member Bill Fuller to adjourn the meeting at 7:06 PM, all six in favor, motion passed.*

Approved: March 18, 2019

Lydia Lopez, City Secretary

Ed Passalugo, Mayor

HEWITT TEXAS

AGENDA ITEM #6 – HEARING OF VISITORS

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

1. Citizens are encouraged to discuss matters of concern with the staff and individual council members prior to placing items on the agenda. This will allow the matter to be properly investigated before it is presented to the entire council and will often expedite a resolution.

NO CITIZEN OR STAFF MEMBER MAY SPEAK OR OTHERWISE INTERRUPT ANY MEETING UNTIL RECOGNIZED BY THE PRESIDING OFFICER.

2. To maintain decorum at public hearings, the mayor will ask citizens in attendance if they wish to speak for or against the item on the agenda. If so, they will be given an opportunity to speak at the proper time and when recognized by the chair. If more than five citizens wish to address the council on any single agenda item, those citizens are advised to select a spokesperson to present their case.
3. Only under the agenda item “Hear Visitors” are citizens permitted to speak regarding matters that pertain to city business or address an item on the agenda. **The council is prohibited by law from discussing or acting on any item that has not been posted on the agenda.**
4. Individual citizens that discuss items not listed on the agenda shall be limited to **five minutes**. If five or more citizens wish to discuss a single item or topic that is not listed on the agenda, then the total presentation will be limited to a maximum of twenty-five minutes. City council members shall **not** enter into discussion on any subject that has not been properly placed on the agenda; however, council members may ask questions for clarification purposes.
5. As a general rule, citizens may not participate or address the council or staff during the workshop session.

Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: April 1, 2019

AGENDA ITEM #: 7

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Consideration and action concerning award of bid for Municipal Depository Services.

STAFF RECOMMENDATION/ITEM SUMMARY:

Valley View Consulting, LLC has been working on the Request for Applications since November 6th, 2018. They will present the findings from RFA Bid for Municipal Depository Services. The public notice was advertised in the Waco Tribune Herald on January 7th and January 14th, 2019. We received eight (8) bids on February 15th.

Mr. E.K. Hudstедler led the review of the bank applications and after bank analysis has a recommendation.

Staff supports the recommendation.

SUGGESTED MOTION:

"I move approval of the award of the municipal depository contract to Independent Bank as recommended by Valley View Consulting, LLC."

ATTACHMENTS:

Letter of recommendation from Valley View Consulting, LLC



March 25, 2019

Ms. Lee H. Garcia, CPA, CGFO
Finance Director
City of Hewitt
200 Patriot Court
Hewitt, Texas 76643

Dear Ms. Garcia:

As part of the services provided under the current Investment Advisory Agreement, we sincerely appreciated and welcomed the opportunity to assist the City of Hewitt (the "City") with this Primary Depository Bank Services Request for Applications (the "RFA") project.

The objective of this engagement was to select a primary depository bank following the expiration of the current contract which ends June 30, 2019. This agreement, when approved, will commence on July 1, 2019 and terminate on June 30, 2021. Upon the option of the City, the contract may be extended for three (3) additional one-year periods under the same terms and conditions.

Procedure

The project began with the establishment of a calendar of events to ensure that the required project steps were performed in a timely and sequential manner.

The process for selecting a Primary Depository Bank is governed by the State of Texas Local Government Codes: Chapter 105 Municipal Depository Act; Chapter 176 Conflict of Interest Act; Chapter 2256 Public Funds Investment Act; and Chapter 2257 Public Funds Collateral Act.

In addition to complying with these State statutory requirements, it was necessary to understand and comply with the City's financial and purchasing policies and Investment Policy.

The RFA project was conducted as follows:

1. Analyzed historical bank service usage and balance records.
2. Reviewed the minimum banking services and potential additional services.
3. Developed a list of eligible financial institutions within 9.5 miles of City Hall with an expanded solicitation area as approved by the Hewitt City Council:
 - a. Alliance Bank Central Texas
 - b. American Bank, N.A.
 - c. Bank of America, N.A.
 - d. Central National Bank

- e. Community Bank & Trust
 - f. Compass Bank
 - g. Extraco Banks, N.A.
 - h. Fidelity Bank of Texas
 - i. First Guaranty Bank
 - j. First National Bank of Central Texas
 - k. First National Bank of Texas
 - l. Incommons Bank, N.A.
 - m. Independent Bank (incumbent)
 - n. JPMorgan Chase Bank, N.A.
 - o. National United
 - p. Pioneer Bank, S.S.B.
 - q. Pointwest Bank
 - r. Texas First State Bank
 - s. The First National Bank of McGregor
 - t. Wells Fargo Bank, N.A.
4. Contacted the financial institutions to confirm distribution information, describe the process, and identify the designated recipient.
5. Drafted the RFA for City review and approval.
6. Posted the notice and advertised the RFA.
7. Distributed RFAs to the identified and receptive financial institutions.
8. Held a non-mandatory pre-application conference that was attended by representatives of:
- a. American Bank, N.A.
 - b. Compass Bank
 - c. Central National Bank
 - d. Extraco Banks, N.A.
 - e. First Guaranty Bank
 - f. Independent Bank
 - g. Texas First State Bank
9. By closing deadline, applications were received from:
- a. Central National Bank
 - b. Compass Bank
 - c. Extraco Banks, N.A.
 - d. First Guaranty Bank
 - e. Independent Bank
 - f. National United
 - g. The First National Bank of McGregor (TFNB)
 - h. Texas First State Bank
10. No additional RFA responses were received as a result of the advertisement.

The evaluation of the applications was based on, but not limited to, the following criteria, in no particular order of priority:

1. Ability to perform and provide the required and requested services;
2. References provided and quality of services;
3. Cost of services;
4. Transition cost, retention and transition offers and incentives;
5. Funds availability;
6. Interest paid on interest bearing accounts and deposits;
7. Earnings credit calculation on compensating balances;
8. Completeness of application and agreement to points outlined in the RFA;
9. Convenience of location(s);
10. Previous service relationship with the City; and
11. Financial strength and stability of the institution.

Application Analysis

As can be seen in the attachment, the Application Analysis began with an overall review of each financial institution's general financial strength and ability to provide the services necessary to meet the City's current and future service needs. Each of the responding financial institutions exhibited acceptable financial strength and the ability to provide services the City requested.

For added convenience, Compass Bank and National United were able to provide direct safekeeping services while Central National Bank, Extraco Banks, First Guaranty, and Independent Bank could provide via a third-party provider. The First National Bank McGregor, and Texas First State Bank were not able to offer the City safekeeping services for the City's future anticipated investment activity. This service can be contracted through a provider other than the primary depository, however there may be transactional costs avoided by having the same institution provide both services.

The attached analysis of proposed fees, earnings credit, and investment income potential is summarized below.

Net Income/(Cost)

Each financial institution's fee schedule was analyzed based on the City's banking service needs and estimated activity levels. Where quantifiable and appropriate, the estimated service fees were adjusted for any incentives (including waived fees and transition allowances).

Extraco Banks, Independent Bank, The First National Bank of McGregor, and Texas First State Bank each proposed a "no-fee" structure. With the "no-fee" structure, earnings credit is not applicable.

Compass Bank, Central National Bank, First Guaranty Bank, and National United each proposed monthly fee assessments for services utilized, an earnings credit rate or an interest bearing checking option to offset monthly fee charges, and investment income options for any excess balances available. Historically, average annual deposit balances of \$6,000,000 have been maintained by the City.

The City may benefit by minimizing average operating deposit balances and investing excess funds in higher paying options.

The analysis table below is for the two (2) year initial contract term. The attached analysis also reports the projected full five (5) year term allowing for the three (3) possible one-year extensions at the option of the City.

Two-Year Term	Central National	Compass Bank	Extraco Banks	First Guaranty
Proposed Fees (net of incentives)	(\$27,369)	(\$18,956)	\$0	(\$21,907)
Earnings Credit and or Hard Interest Income	\$188,442	\$250,411	\$258,000	\$286,766
Net Income/(Cost)	\$161,073	\$231,455	\$258,000	\$264,859

Two-Year Term	Independent	National United	TFNB	Texas First State Bank
Proposed fees (net of incentives)	\$0	(\$14,590)	\$0	\$0
Earnings Credit and or Hard Interest Income	\$237,025	\$98,961	\$240,000	\$150,000
Net Income/(Cost)	\$237,025	\$84,371	\$240,000	\$150,000

Recommendation

As the incumbent, Independent Bank has been a good business partner over the course of the current contract and the no fee application offered by Independent Bank provides a favorable option for the City. The estimated Two Year Net Income differential offered by Extraco Banks and First Guaranty Bank would be more than offset by the time, effort, and costs associated with the transition to a new financial institution. Additionally, it would avoid the inherent “transition risk” that exists in the change to a new on-line banking system, the back-bone of the City’s financial system.

Based on the analysis results, it was determined by staff that the terms offered by Independent Bank provide the “best value” to the City. We concur with the recommendation that the Council award the Primary Depository Bank Services contract to Independent Bank and authorize the City Manager to execute the agreements necessary to continue the banking relationship.

Upon approval, the new contract will commence on Monday, July 1, 2019.

Please contact Bill Koch, Dick Long, Tom Ross, or me to discuss any questions or additional information needs.

Thank you for this opportunity to serve the City of Hewitt again with this important project.

Sincerely,



E. K. Hufstedler, III
Valley View Consulting, L.L.C.

Attachment



COUNCIL AGENDA ITEM FORM

MEETING DATE: April 1, 2019

AGENDA ITEM #: 8

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consideration and action on appointment to the Parks & Beautification Board.

STAFF RECOMMENDATION/ITEM SUMMARY:

Ann E. Schiltz submitted an application for service on the Parks and Beautification Board. Mrs. Schiltz will be present should the Council desire to interview.

SUGGESTED MOTION:

"I move approval of the appointment of Ann E. Schiltz to the Parks and Beautification Board for a term of two years."

ATTACHMENTS:

Application

APPLICATION FOR BOARDS & COMMISSIONS TO THE CITY OF HEWITT

The City of Hewitt appreciates your interest in serving the community. A listing of the boards and commissions is found behind your application. Appointments are made during the year as vacancies occur. This is great opportunity for you to play a vital role in shaping your community.

NAME OF APPLICANT: Ann E. Schiltz
HOME ADDRESS: 1220 Dendron Dr., Hewitt, Tx 76643
DAYTIME TELEPHONE NUMBER: 254-666-4291 E-MAIL ADDRESS: rjschiltz@sbcglobal.net

PLEASE CHECK APPROPRIATE STATEMENTS: ☒ I reside within the city limits of Hewitt, Texas.*
☒ I do ☐ I do not ... own property located in Hewitt, Texas.

* **IMPORTANT** -- By checking this box and signing this form, you are indicating that your legal residence or domicile - your home and fixed place of habitation to which you intend to return after any temporary absence - is located within the city limits of Hewitt, Texas.

LENGTH OF TIME APPLICANT HAS RESIDED IN THE HEWITT CITY LIMITS: 30 yrs

PLEASE INDICATE BELOW HOW YOU WOULD LIKE TO SERVE THE CITY OF HEWITT. (**IMPORTANT**: IF MORE THAN ONE AREA IS INDICATED, **NUMBER YOUR PREFERENCES** WITH "1" BEING YOUR FIRST CHOICE, "2" BEING YOUR SECOND CHOICE, ETC.). PLEASE SEE REVERSE SIDE FOR DESCRIPTIVE INFORMATION.

- ☐ Board of Adjustment (must be resident and owner of property in Hewitt)
☐ Civil Service Commission (must be resident of Hewitt)
☐ Library Board (must be resident of Hewitt)
☒ Parks and Beautification Committee (must be resident of Hewitt)
☐ Planning and Zoning Commission (must be resident and owner of property in Hewitt)

OTHER WAYS YOU SERVE YOUR COMMUNITY: Friends of the Library Board

SPECIAL INTERESTS/SKILLS/EXPERIENCE/EDUCATION YOU FEEL MAY BE HELPFUL: Have worked and taught in outdoor programs

OCCUPATION/EMPLOYER: Retired teacher

REFERENCES (MUST BE HEWITT RESIDENTS): Fred Stewart TELEPHONE #: 254-666-4854
Sharon Davis TELEPHONE #: 254-366-2951

SIGNATURE OF APPLICANT: Ann E. Schiltz DATE: 3-22-2019

Return Application to:
Lydia Lopez, City Secretary
200 Patriot Court
Hewitt, Texas 76643
Phone: 254-666-6171 - Fax: 254-666-6014
Email: citysecretary@cityofhewitt.com



OFFICE USE ONLY
Date interviewed by Council: _____
Date appointed by Council: _____
Date sworn in by Council: _____
Reappointed: _____

Term to expire: _____
Term to expire: _____



COUNCIL AGENDA ITEM FORM

MEETING DATE: April 1, 2019

AGENDA ITEM #: 9

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consideration and action on reappointments to the Board of Adjustment.

STAFF RECOMMENDATION/ITEM SUMMARY:

Douglas Bergen, Charles Howard, and R. Don Vardeman have terms that expire this month. All have agreed to serve another two year term. These members are in good standing and staff recommends approval of this item.

SUGGESTED MOTION:

"I move approval of the reappointments of Douglas Bergen, Charles Howard, and R. Don Vardeman to the Board of Adjustment for a two year term ending April 2021."

ATTACHMENTS:

None