

The City Council of the City of Willis, Texas convened in regular session at city hall on the date and time aforesaid with the following members present:

Leonard Reed, Mayor  
Thomas Belinoski, Mayor Pro-Tem  
Teresa Herod, Council Member  
Tom Luster, Council Member  
William Brown, Council Member  
Larry Foerster, City Attorney  
Robert Evans, City Manager  
Marissa Quintanilla, City Secretary  
James Nowak, Police Chief  
Taylor Whichard, Director of Public Works  
Steven Hill, Director of Community Development  
Beth Rodriguez, Finance Director

And the following members absent: Barney Stone, constituting a quorum at which time the following business was transacted to-wit:

1. Call to order the regular meeting.  
Mayor Reed called the meeting to order at 5:30 p.m.
2. Roll Call, Pledge of Allegiance, and Invocation  
I Pledge Allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all. Honor the Texas Flag. I pledge allegiance to thee Texas; one state under God, one and indivisible.  
City Secretary called roll. Pledges were recited. Councilman Brown gave the invocation.
3. CITIZENS INQUIRY
  - a. Public Comments  
Chief Nowak introduced new intern Kyran Miseldine, from Sam Houston State University. Chief Nowak his major was criminal justice. Mr. Miseldine thank the Council for the opportunity. Mr. Hill introduced new animal control officer Eddie Carballo. Tre Sembera introduce himself as the new owner of the FM 1097 Newspaper.
4. CONSENT AGENDA
  - a. Consider the minutes of the previous meetings: December 15, 2020
  - b. Approval of Accounts Payable
  - c. Approval of financial statements and tax collection reports
  - d. Notice of intent to use forfeiture funds  
Mayor asked for questions or comments on the consent agenda. None were received. Mayor and Council approved the consent agenda by unanimous consent.
5. ORDINANCES  
First Reading

- a. Discuss and consider approval of an ordinance authorizing participation with other Entergy service area cities in matters concerning Entergy Texas, Inc. at the Public Utility Commission of Texas 2021.

Mayor recused himself from the meeting due to conflict of interest. Mayor Pro-Tem took over the meeting.

Mayor Pro-Tem read the ordinance caption. No questions or comments were received. Mayor Pro-Tem stated this was the first reading no action to be taken.

Mayor reentered meeting.

- b. Discuss and consider adoption of an Ordinance authorizing the issuance and sale of City of Willis, Texas, General Obligation Refunding Bonds, to be issued in one or more series, in an aggregate maximum principal amount not to exceed \$8,900,000; levying in a tax in payment thereof; authorizing the execution and delivery of a Bond Purchase Contract, a Paying Agent/Registrar Agreement, and an Officer's Pricing Certificate, calling certain obligations for redemption or prepayment; appointing an authorized representative to determine the final terms of the Bonds subject to certain specified parameters; finding and determining that the meeting at which this Ordinance is passed is open to the public as required by law; and enacting other provisions relating thereto.

Mr. Evans stated Duncan Morrow, from Frost Bank was present and would be briefing the Council on this item. Mr. Morrow stated they took a view of the City's debt and ran an analysis of potential refinancing opportunities. Mr. Morrow stated the interest rates were at an all-time low right now. Mr. Morrow stated they ran an analysis of the City's existing debt and some series are currently callable or some that are coming up soon that will be callable. Mr. Morrow show the Council an illustration of the City's annual debt payment. Mr. Morrow stated that the different colors in the table just show the different series and goes by the fiscal year so that Council can see that the annual payment is a little under \$2 million per year and in 2024 it drops down to about \$1.8 Million. Mr. Morrow stated the summary was broken out by old bonds and new bonds. Mr. Morrow stated the series they are looking to refinance is the series 2012 CO, 2012A CO, 2013 CO, 2013 GO & 2016 CO. Mr. Morrow stated there was \$8.9 million in principal and the City is paying 4.105%, they believe the City could refinance at today's rate at about 1.952 %, so we're looking at sub 2%. Mr. Morrow stated this equated to \$1.5 million in total savings, \$1.3 million net present value savings. Mr. Morrow stated the net present value ratio, they like that to be higher, the higher the better. The industries standard is 3%. Mr. Morrow stated you take the net present value savings and divide it by the principal you are refinancing. Mr. Morrow stated the average annual saving is approximately \$91,000. Mr. Morrow stated that the City was looking at about three cents on the INS rate every year, that the City could potentially lower that rate, could pursue other projects at no tax rate impact, or pay off additional sooner. Mr. Morrow stated that there are cost of issuance associated with refinancing. Mr. Morrow stated he budgeted \$100,000, he stated this was high, he's thinking it will be closer to \$90,000, this is a financial advisory fee, a bond attorney fee to prepare all the legal documents, Texas Attorney Office fee, credit rating fees. Mr. Marrow stated all the savings shown are net of the \$100,000 that he's budgeted. Mr. Marrow asked for questions. Council Luster stated that the City has a series 2016 CO at 1.9%, so would that not be refinanced if it does not drop lower. Mr. Morrow stated that one was showing savings so it was included in their analysis. Mr. Morrow stated that 1.9% that showing is an average to 2038, so 2026 is the final maturity rate. Mr. Morrow stated from 2021 to 2026 the City will pay the shorter-term rate, which will be much lower than the 1.95% average he's showing. Mr. Foerster asked just to recap, conservatively by refinancing the City can save roughly \$1.5 Million. Mr. Marrow stated at the current market yes. Mr. Marrow stated that was the caveat he wanted to get, the earliest they could lock in a rate is April. Mr. Foerster asked is this would affect the City's ad valorem tax rate. Mr. Morrow stated it would not, if anything this would give the City the flexibility to lower the rate. Mr. Forester asked if this would

extend any of the bonds. Mr. Morrow stated it would not extend the debt, they will pay them off as scheduled as originally approved the voters. Mayor asked for any other questions. None were received.

## 6. NEW BUSINESS

- a. Discuss and take action on approving a Resolution for the approval of a voluntary petition for 25.71 acres of land for the Willis Hillside RV Resort, approving an annexation Service Agreement with Willis Hillside RV Resort, LLC, and setting a public hearing on the annexation for February 16, 2021.

Derek Wind with Bleyl stated this was on last month's agenda and there had been some questions. Mr. Wind stated he looked at their previous research so he could better answer those questions. Mr. Wind stated they included the annexation study that was done. Mr. Wind stated that he wished he could say that the annexation study gave a clear indication one way or another but it did not. Mr. Wind stated there was a development agreement with the developer in which they were annexation is what they were requesting and wanted. Mr. Foerster asked if they had determined if the property was contiguous to the existing city limits. Mr. Wind stated they looked at the previous annexation that was done, the question was can you annex across the highway. Mr. Wind stated he was not sure on the answer to that, but for this particular case the highway was already annexed in the previous annexation so we are doing a contiguous annexation based on the previous annexation boundaries. Mayor asked if the stated let the City annex the state highway. Mr. Foerster stated yes, there is a provision in the law under chapter 43 that allows the City to annex an area contiguous to its already existing property line. Mr. Foerster stated this was probably done when the Ameritex property was annexed. Mayor asked if staff had checked with the state to verify that the City could annex a state road. Mr. Wind stated the road was already annexed. Mayor stated he wanted to make sure that the road was legally annexed. Mr. Foerster stated that in Chapter 43 of the Local Government Code allows for cities to annex a public road that its contiguous to existing boundaries. Mayor stated that he thought TML had some sort of proposal or resolution so that a city could annex the road. Mr. Foerster stated that he may be right in terms of the last legislative session, that there may have been some issues about including roads in the new annexation legislation, but this was done prior to that legislative session. Mayor stated that he thought you couldn't annex a road under the legislation that is in place now, and thought TML was trying to get fix it to where you could. Mayor asked if we annexed the road, was the City responsible for it now. Mr. Wind stated there are several TxDOT roads within the City limits that TxDOT is still responsible for. Mayor stated he'd still like to check with the state and check to see if cities are allowed to annex state roads. Mr. Foerster stated this was a resolution that allows the City to set a public hearing on February 16, 2021 which is a requirement before an annexation ordinance can be passed. Mr. Foerster stated there were other considerations whether or not the City sees any benefit in having this under the control and regulations of the City as being part of the City limits. Mr. Foerster stated that usually if you were thinking about annexing it would extend your ETJ, but currently this is not going to happen because Conroe is wrapped around and butted up to the ETJ on the south side. Mr. Foerster stated that according to Bleyl's report it's a close call as to whether or not the City would make more money from charging outside city rates, or the value of the property. Mr. Foerster stated it was Councils decision as to whether they see any value in annexing. Mr. Foerster stated that annexing would give the City more control over things that may happen in the park, to the extend to where the area could be policed. Councilman Belinoski stated it's only about \$2,000 difference outside rates and then with the tax rate the City would be benefiting from that. Mr. Belinoski stated if it wasn't in the City limits the City would not be able to regulate conditions of the park. Mr. Foerster stated the resolution was not

an action to actually annex, but allows for the city to recognize the annexation service agreement, and sets a public hearing for February 16, 2021. Mayor asked for questions or comments. None were received. Motion was made by Thomas Belinoski to approve a resolution for the approval of a voluntary petition for 25.71 acres of land for the Willis Hillside RV Resort, pending annexation information from the City Attorney and City Engineering, and approving an annexation service agreement, and setting a public hearing on the annexation for February 16, 2021. Tom Luster seconded the motion. Motion passed unanimously.

- b. Discuss and take action of an election services agreement with Montgomery County, Texas for the May 1, 2021 election.

Ms. Quintanilla stated the election services agreement with Montgomery County allowed them to hold the election for the City. Mayor asked for questions. None were received. Motion was made by William Brown to approve an election services agreement with Montgomery County, Texas for the May 1, 2021 election. Thomas Belinoski seconded the motion. Motion passed unanimously.

- c. Discuss and take action of the joint election agreement with Montgomery County, Texas for the May 1, 2021 election.

Ms. Quintanilla stated the joint election agreement with Montgomery County was stating that the City would be having a joint election with Montgomery County. Mayor asked for questions. None were received. Motion was made by Thomas Belinoski to approve the joint election agreement with Montgomery County, Texas for the May 1, 2021 election. Tom Luster seconded the motion. Motion passed unanimously.

- d. Discuss and take action on a resolution ordering the City of Willis Election to be held on May 1, 2021 for the election of Mayor and five City Council positions.

Ms. Quintanilla stated the resolution was actually ordering the May 1, 2021 election. Motion was made by William Brown to approve a resolution ordering the City of Willis Election to be held on May 1, 2021 for the election of Mayor and five City Council positions. Tom Luster seconded the motion. Motion passed unanimously.

- e. Discuss and take action on the 2020 Maple Ridge Road Rehab Project.

Mr. Wind stated that Daniel Stuckey representing Pavecon Ltd, was present. Mr. Wind stated that this was the project on Maple Ridge Drive where the paving was done. Mr. Wind stated there were a few tests on thickness and things like that showed needing a bit more correction. Mr. Wind stated there was also some concern about the drive quality of the road, so they were willing to come out and do a second overlay, which improved some of the area, but also introduced a new issue along driveways. Mr. Wind stated that TxDOT has some guidance for situations like this where there are multiple areas that don't meet the specifications on drive quality. Mr. Wind stated basically they recommend \$250 to \$500 deduction per occurrence. Mr. Wind stated the project manager Carl Rushing went out and gave his opinion on how many occurrences so that gave a deduction range of \$5,500 to \$11,000. Mr. Wind stated per the contract his understanding is this is something that can be offered to the contractor as a settlement agreement to accept the road as is. Mr. Wind stated Mr. Stuckey was present and would like to address the Council as well and hopeful the Council can make a decision. Mr. Stuckey thanked the Council for letting him speak. Mr. Stuckey stated they were very disappointed in the crew's performance on the project, needing to go back out and still having issues with trying to tie into the driveways and having a ride quality issue. Mr. Stuckey stated that is not what his company stands for and it would be cheaper for them just take the easy way and take the deduction, but they would like to redo it. Mr. Stuckey stated he wanted the citizens to be happy, and they wanted it to be correct. Mr. Stuckey stated that he would understand if the City chose not to have them come out a third time, but he wanted to make sure that the City is

satisfied, if the Council is willing to do. Mr. Wind stated that the proposed fix to this would be to cut out areas, and raise it back up. Mr. Wind stated there would be an unlevel area between the road and the driveway, but the main drive would be level. Mr. Wind stated that one concern from an engineering perspective is your introducing cold joints to the project where you're cutting out areas, and you have cold pavement next to hot pavement, which can be done successfully but is a little bit of a possibility of introducing areas where you have cracks and water infiltration. Mr. Stuckey stated that the best solution is go out and do the entire road, they will mill and then repave, make sure they have a two inches thickness and from Mr. Rushing suggestion they will have some lips on the driveway, so that they are not trying to tie into them and then creating a downslope in certain spots. Mayor stated that the Council's options are to leave it in the condition it is in and deduct \$11,000 or have the go back out. Mr. Wind stated that was correct. Councilman Belinoski has how much was being milled off. Mr. Stuckey stated they would mill two inches. Mr. Stuckey stated they milled and paved two inches previously and there were some thickness issues on the edge of the road, so they overlaid an additional two inches on top of that. Mr. Stuckey stated they would mill off those two inches and repave, so we would be left with two inches base asphalt and two inches on top of that. Councilman Brown asked how long the project would take, Mr. Stuckey stated it would take four days. Mayor asked if the road had been repaired before because of the ride quality once before. Mr. Wind stated that back in he believes 2009 there were some areas that were failing that were cut out and patched just based on the economy of it the City did not have enough funds in the project at the time to do a full reconstruction, since then the long term issue is based on the initial construction of the road, the subgrade under the road was not an acceptable subgrade and over time it has deteriorated and so the decision was made to do a full reconstruction of the road, which includes basically take up six inches, mixing up some rock and cement and creating a solid base for the asphalt to be put on then coming back and overlaying the asphalt. Mr. Wind stated this is what Pavecon did. Mayor asked if something else was done when the ride quality wasn't good. Mr. Wind stated yes, when the ride quality did not meet specifications, and when they took cores of the pavement, some areas did not pass on the thickness, so the decision was made to do another overlay on top of that. Mayor stated that if did a deduct on this for \$11,000 the road would still have a bad ride quality and would have to repair again. Mayor asked Mr. Stuckey if he was proposing to go back and scrape two inches off and overlay another two inches and make the ride smoother. Mr. Stuckey stated this was what he was proposing. The Mayor stated he did not know how Council felt, but with the complaints he's been getting about the ride quality on the street, basically with \$11,000 the City would not be able to make it better, would end up spending more to redo it. Councilman Belinoski stated he thought the road needed to be fixed. Mayor agreed with Councilman Belinoski and stated that not only does it need to be fixed, but it's only fair considering the whole circumstance that the City give Mr. Stuckey a chance to redeem his company name. Mayor asked for any more questions. None were received. Motion was made by William Brown to allow Pavecon to resurface the road on Maple Ridge Drive. Tom Luster seconded the motion. Motion carried unanimously.

- f. Discuss and take action on Change Order No. 5 for the Waste Water Treatment Plant Expansion and Rehabilitation.

Mr. Wind stated the project is completed. Mr. Wind stated this change order included a deduct for removal and hauling of excess soil for \$2,000.00. Mr. Wind stated the contractor was able to spread any excess dirt throughout the site. A deduct in the amount of \$8,000.00 for subgrade treatment at the main basin was not needed. A deduct of \$7,567.00, Mr. Wind stated there was a total of \$100,000.00 of cash allowance that was in the contract to be used with the City's approval for unexpected items that were encountered during the construction and not all of the cash allowance was used. Mr. Wind stated city staff requested the non-potable water suction lines at the chlorine contract basin be extended further down into the basin, the contractor proposed to perform this for

\$667.00. Mr. Wind stated the total change order amount was a deduct of \$16,900.00. Mr. Wind stated the project was completed on time and under budget, and the approval of this change order would close out the contract. Motion was made by Thomas Belinoski to approve Change Order No. 5 for the Waste Water Treatment Plant Expansion and Rehabilitation in the amount of \$16,900.00. William Brown seconded the motion. Mayor asked for questions. None were received. Motion passed unanimously.

- g. Discuss and take action on approval of a plat for Massey-Tucker Business Park being a subdivision of 13.9783 Acres located in the William Hulon Survey.

Mr. Hill stated this was for a development on the north end of town. Mr. Hill stated this had been reviewed and approved by engineering. Mayor asked for questions. None were received. Motion was made by Thomas Belinoski to approve a plat for Massey-Tucker Business Park, a subdivision of 13.9783 Acres located in the William Hulon Survey. Tom Luster seconded the motion. Motion passed unanimously.

- h. Discuss and take action on repealing Towing Ordinance No.17-0822 and approve the Memorandum of Understanding with Montgomery County Sheriff's Office to adopt the County's towing policy.

Chief Nowak stated currently has a tow truck ordinance in place and has had it in place for many years. Chief Nowak stated each January officers inspect the tow trucks and storage lots of the permitted operators, collect fees and issue new permits. Chief Nowak stated the tow truck drivers operate on a lottery system whereby an officer needing a tow truck will have dispatch air a fifteen-minute wrecker call, and at that time the assembled tow truck operators will chip for the tow. Chief Nowak stated that a rotation tow ordinance was passed by the county officials in 2020 and implementation began on New Year's Day. Chief Nowak stated that prior to this they discussed the matter with the permitted two truck operators, and they all wanted to continue to operate under the City's ordinance. Chief Nowak stated they decided to continue as they requested as we waited to see how the new rotation policy would work out, but on January 5, 2021 he received an email from Sheriff Henderson describing how the dispatchers use an automated system for the county rotation, and he stated that the dispatchers were confused trying to honor multiple tow policies from the various agencies they dispatch. The upcoming encryption program will also cause an issue dispatching tow trucks by radio as well. Chief Nowak stated Sheriff Henderson requested that all outside agencies adopt the county policy, or take care of dispatching their own trucks. Chief Nowak stated after reviewing the matter, and since the City does not have dispatch capabilities, he is recommending that the City repeal the current tow truck ordinance, adopt the county tow policy so that the County can provide the dispatching of rotation tow trucks services. Councilman Luster stated he had concerns, one the cost to consumers our tax payers. Mr. Luster stated he know there is a large increase in the amount if you use the county, its almost double. Chief Nowak stated it was from \$150 to \$250. Mr. Luster stated when you add all the other fees, two days into if you leave it as is the fees would be about \$250, whereas in the County it would be about \$450, and he doesn't feel like our citizens are necessarily ready to pay that. Mr. Evans stated that if the City starts dispatching the City would have to raise our fees. Mr. Belinoski asked if you go to the County's policy, could you still request who you wanted to tow. Chief Nowak stated that is correct the request tows are still there; this would apply to non-consent tows. Mayor asked what other cities were doing that have their own towing ordinance. Mr. Foerster stated that some of the cities he represents are all going to the County's towing policy, because they don't have the ability to dispatch. Mayor stated another concern he had was when the City passed our towing ordinance, we got with the tow truck companies that wanted to tow in Willis and had them establish a facility here in Willis to be able to tow. What happens if someone from South County tows a car from Willis, would they take it to a facility here in Willis, or South County. Chief Nowak stated they would take it to the tow yard within their district which may be farther, than just down the road as we have it

now. Chief Nowak stated that this was a concern that the tow truck operators had also. Councilman Brown asked if the City would be better off getting our own dispatch system. Mr. Evans stated that would be very expensive. Mayor asked if we had looked into and researched it. Mr. Evans stated no, but has worked in places where they implemented one and it was very expensive. Mayor asked for any questions, before he allowed the tow truck operators to speak. None were received. Charlie Miller with Miller Towing and Recovery stated that the County currently allows for county wide option for our towing which means you can have a tow truck service pickup a car here in Willis and take it Spring, The Woodlands, Magnolia, Montgomery, New Caney, Splendor, Porter. Mr. Miller stated they can take that car anywhere they have a towing yard. Mr. Miller stated that he believes that police department already has their own channel, maybe that could be an option. Mr. Miller stated that the price could go up for citizens, could almost double. Mr. Miller stated he believes the ordinance that was created was to take care of the citizens and the people who pay taxes here. Mr. Miller suggested that the City talk with the County to be their own rotation zone within the County. Mr. Miller stated that once this goes to the County the Council would have no choice as to who is towing, what is being charged, and where tow is going, and the citizens would have no choice. Mr. Miller thanked the Council for letting him speak. Shay Adamick, with Adamick Wrecker Service asked if the Council was willing to table this item until more information on the cost of a dispatch service would be, and to see what cities have chosen not to join the County's towing Policy and what they are doing. Ms. Adamick stated that several towing agencies here in Willis have invested money to put lots in the City to follow the ordinance and asked that Council consider tabling until more information could be provided. Motion was made by William Brown to table item 6h. Tom Luster seconded the motion. Motion passed unanimously.

## 7. REPORTS

Input from Council related to issues for possible inclusion on future agendas; related to issues such as (but not limited to) municipal projects, personnel, public property, development, and other city/public business. Councilman Brown stated he'd been saying a lot of post on social media about loose dogs. Mr. Hill stated he'd look into. Mayor asked about water leaks. Mr. Whichard stated that there is about twenty he's been trying to get fixed in between working disconnects and reconnects.

### a. Engineer's Report

#### 1. WWTP rehabilitation and expansion

Mr. Wind stated that the final changed order had been approved by Council earlier and the project is complete.

#### 2. CDBG Storm Sewer Replacement Project

Mr. Wind stated they had some conversation with GLO this month, basically back in June we sent them everything they needed for the third phase, and have that time to approve our changes. Mr. Wind stated they gave us a verbal approval but have not received a written approval and were told not to start the project until written approval was received. Mr. Wind stated that since we don't have approval yet they wanted us to add to the request a six-month extension and should have approval later this month. Mr. Wind stated could start in February.

Mayor stated he had questions about Majestic Pines II about permits not approved. Mr. Hill stated that Majestic Pines II jumped the gun and started working without permits. Mr. Hill stated construction has been stopped until they obtain all required permits. Mayor asked about place on African Hill Road. Mr. Hill stated that he just did a final walk through today. Mayor asked how are their tenets allowed with out the required permits/CO's. Mayor wanted staff to send him all information on this project, and how we arrived at the situation we are at now.

### b. City Manager's Report

#### 1. Update on payroll system

Mr. Evans gave the Council an update on the new payroll system which had to be upgraded, due to the old system being sunset. Mr. Evans stated this system allows employees to more efficiently enter hours which then are approved by supervisors.

#### 8. EXECUTIVE SESSION

- a. Convene into closed executive session as provided by the Texas Open Meetings Act under Section 551.071 (consultation with city attorney on confidential matters); and Section 551.087 (deliberation on economic development proposals) under the Texas Government Code.

1. Discuss an interlocal agreement with Montgomery County Emergency Services District No.1 for the allocation of sales tax for the proposed Phase 2 of the Market at Willis Development.

2. Deliberate on Economic Development Agreement with Market at Willis Associates, LLC

Mayor closed open session at 7:12 p.m. stated would take a ten-minute break and convene in executive session at 7:22 p.m.

- b. Reconvene into open session to take action if necessary, on matters deliberated in closed executive session:

1. Approval of interlocal agreement with Montgomery County Emergency Services District No. 1

2. Approval of Economic Development Agreement with Market at Willis Associates, LLC

Mayor and Council reconvened into open session at 9:35 p.m. Mayor asked for any action coming out of executive session. Motion was made by Tomas Belinoski to approve an interlocal agreement with Montgomery County Emergency Services District No. 1. Tom Luster seconded the motion. Motion passed unanimously. No other action was taken from executive session.

#### 9. ADJOURN

Motion was made by Tom Luster to adjourn. William Brown seconded the motion. Motion passed unanimously. The meeting adjourned at 9:36 p.m.

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Leonard Reed, Mayor

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Marissa Quintanilla, City Secretary