

The City Council of the City of Columbus, Texas met in regular session on Thursday, October 28, 2010 at 6:30 p.m., in the Council Chambers of City Hall located at 605 Spring St., Columbus, Texas, with the following present:

Mayor	-	Dwain Dungen (Absent)
Mayor Pro Tem	-	Curtiss Schonenberg
Councilman	-	Charles Richardson
Councilman	-	John Axel
Councilman	-	Bruce Tesch (Absent)
Councilman	-	Chuck Rankin
City Manager	-	Donald Warschak
City Attorney	-	Ty Prause
City Secretary	-	Cathy Ezell

Other City Staff present included:

Police Chief	-	Danny Jackson
Fire Chief	-	Walter Glaeser

1. Call to Order.

Mayor Pro Tem Schonenberg called the meeting to order at 6:35 pm.

2. Pledge of Allegiance and Invocation.

Mayor Pro Tem Schonenberg led the Pledge of Allegiance and Invocation.

3. Consent Agenda:

- a. Approval of invoices.
- b. Approval of minutes of October 14, 2010 Regular Meeting, and of October 19, 2010 Special Meeting.

After Council received clarification on some of the invoices Councilman Rankin made a motion to approve the Consent Agenda as presented. Councilman Axel seconded the motion.

The vote was as follows:

Ayes: Councilman Richardson, Axel, Schonenberg, and Rankin
Absent: Councilman Tesch

The motion passed.

4. Citizen's presentations and comments.¹

Tom Russell stated that City Manager, Donald Warschak directed the Public Works department to remove the signs from the public right-of-way. He stated that the ordinance needed to be equitably applied. He stated the City Manager should have spoken with the heads of the two political parties to see what they would like done. He also stated that there are garage sale signs throughout the City. Mr. Russell then stated that he felt that all of the stop signs in the City needed to be removed and replaced with yield signs. He went on to state that the ordinances are not being enforced equitably.

5. City Manager Report

City Manager, Donald Warschak, presented his City Manager's Report which is attached to these minutes.

6. Discussion, consideration, and action if necessary on the provisions for Promissory Note from Great Southern Wood Preserving and correspondence from Great Southern Wood Preserving.

Mayor Pro Tem Schonenberg asked Council if they felt that a full Council was needed to hear the update on Great Southern Wood Preserving (GSWP).

Both Councilman Rankin and Councilman Axel stated that they wanted to hear the update.

City Attorney, Ty Prause, stated that the issue is does GSWP owe the \$400,000 principal and the \$200,000 of accrued interest stated in the Promissory Note. Ty stated that in the Promissory Note states that as of December 31, 2009 GSWP had to have 75 employees or have paid \$1,750,000 in wages. Ty stated that an employee is defined in the Promissory Note as an individual working at the property, working full-time in the plant and wages is the payroll as reflected on the IRS Forms 940. Ty stated that he sent a letter to GSWP for them to prove that they had met the conditions of the Note. Ty stated that the first response form GSWP did not provide much information about 2009. Ty then stated that he sent another letter requesting further information. Ty stated that once he received that information he and Chris Arthur met. GSWP provided the IRS Form 940 for GSWP and the Texas Workforce Commission report for Greenbush Logistics, Inc. for 2009. GSWP also provided proof that it was the sole owner of Greenbush Logistics, Inc. This proof was provided to allow GSWP to count the truck drivers as employees.

Chris Arthur stated that he had received the 2005 940 Form for GSWP and the company name on that form was Great Southern Wood Preserving, LLP. The number of employees and the wage requirements were met for 2005. He stated that for 2009 he received the 940 form for Great Southern Wood Preserving Columbus, Inc. and the Texas Workforce Commission (TWC) report of Greenbush Logistics Inc. for the truck drivers. He stated that in 2009 if you counted the truck drivers as employees that GSWP met the employee and wage requirements of the Note.

Ty Prause stated that GSWP had created Greenbush Logistics, Inc. for the truck drivers for liability purposes.

Chris Arthur stated that even though GSWP name had changed from Great Southern Wood Preserving, LLP in 2005 to Great Southern Wood Preserving Columbus Inc. in 2009 the tax identification number on the 940 forms was the same. Chris then stated that in 2005 GSWP had 53 employees and wages of over \$1.5 million and in 2009 they had 75 employees and wages of over \$2.3 million. Chris also stated that GSWP filed the TWC report electronically which requires them to enter the number of employees who work in Colorado County.

Mayor Pro Tem Schonenberg asked if they have truckers listed as employees at both locations in Texas.

Chris Arthur stated that he did not have that information.

Mr. John Wagner stated that the Colorado County Central Appraisal District (CAD) only has \$50,000 of personal property listed for GSWP. He stated that this is a conflict if they have twenty-two (22) truck drivers with trucks working at GSWP.

Mr. David Meisell discussed the history of GSWP. He stated that there were not any discussions of a separate trucking company. He stated that there were no records as to who had drafted the Promissory Note for the Columbus Community and Industrial Development Corporation (CCIDC). He also stated that GSWP had a history of not meeting the employment conditions of the Note.

Mayor Pro Tem Schonenberg asked how Council felt about the information provided.

Councilman Rankin wanted to know what Ty Prause would recommend.

Ty Prause stated that Council would need to adjourn into Executive Session for consultation with attorney.

Mayor Pro Tem Schonenberg adjourned the Regular Session to enter into Executive Session as authorized by Texas Government Code Section 551.071 (Consultation with Attorney) at 7:43 pm.

Mayor Pro Tem Schonenberg called the Regular Session back into session at 8:17 pm with same Council members present.

Mayor Pro Tem Schonenberg stated that no action will be taken from the Executive Session.

Councilman Rankin made a motion to postpone this item until such time that City Attorney, Ty Prause, and Chris Arthur could obtain further information. Councilman Axel seconded the motion.

The vote was as follows:

Ayes: Councilman Richardson, Axel, Schonenberg, and Rankin
Absent: Councilman Tesch

The motion passed.

7. **Consideration and action to approve Resolution 82-10 a resolution adopting a City of Columbus Fixed Assets Capitalization Policy.**

Mayor Pro Tem Schonenberg stated that this was the policy that was presented at the last meeting and was being brought back with changing the capitalization threshold from \$1,000 to \$5,000.

Councilman Axel made a motion to approve Resolution 82-10 a resolution adopting a City of Columbus Fixed Assets Capitalization Policy. Councilman Rankin seconded the motion.

The vote was as follows:

Ayes: Councilman Richardson, Axel, Schonenberg, and Rankin
Absent: Councilman Tesch

The motion passed.

8. **First reading of Resolution 83-10 a resolution approving 4B revenues over \$10,000 of City created economic development corporations, with less than 20,000 residents for funding the grant submitted by the Live Oak Art Center.**

Mayor Pro Tem Schonenberg stated that this grant had been approved by the CCIDC.

City Secretary, Cathy Ezell gave the first reading of Resolution 83-10 a resolution approving expenditure of 4B revenues over \$10,000 of City created economic development corporations, with less than 20,000 residents for funding the grant submitted by the Live Oak Art Center.

9. **Discussion of September Police Report.**

Police Chief, Danny Jackson gave the Police Report for September 2010.

10. **Consideration and action to authorize Mayor Pro Tem to enter the City of Columbus into a contract for audit services.**

City Secretary, Cathy Ezell stated that in September that the City was informed that the Arthurs were not going to perform the City's audit. She stated that she sent out Requests for Proposals and had received two back, one from Patillo, Brown & Hill LLP and one from Belt, Harris, & Pechacek. She then stated that both firms were equally qualified. She then went over the fee schedules. She stated that Patillo, Brown & Hill LLP had the better cost. She recommended that the City enter into a contract with Patillo, Brown & Hill LLP for audit services.

Councilman Axel made a motion to authorize the Mayor Pro Tem to enter the City of Columbus into a contract for audit services with Patillo, Brown & Hill LLP. Councilman Rankin seconded the motion.

The vote was as follows:

Ayes: Councilman Richardson, Axel, Schonenberg, and Rankin
Absent: Councilman Tesch

The motion passed.

11. **Items from Councilmembers.²**

Councilman Richardson – no comment.

Councilman Axel – no comment.

Councilman Schonenberg – no comment.

Councilman Tesch – absent.

Councilman Rankin – no comment.

Mayor Dungen – absent.

12. Announcements.

City Secretary, Cathy Ezell announced that Council pictures will be November 9, 2010.

13. Adjournment.

Mayor Pro Tem Schonenberg adjourned the meeting at 8:28 pm.



Mayor, Dwain K. Dungen

ATTEST:



Cathy Ezell, City Secretary

¹During this agenda item, citizens may comment for the record on items, which are not on the agenda. However, the Council may not participate in discussion or deliberation on any item that is not on the agenda. Citizens may request that a topic be added to a future agenda.

Citizens who wish to comment on a posted agenda item may do so when that item is addressed by the Mayor. Citizen's comments are limited to five minutes.

²Limited to statements. Issues raised by councilmembers under this item cannot be deliberated by Council. The Open Meetings Act does not allow Council to deliberate items that don't appear on the agenda.