

AGENDA

The Center City Council will meet in Regular Session on Monday, April 8, 2019 at 5:00 p.m. in Council Room at Center City Hall. The following items are on the agenda for appropriate action:

- I. Welcome Guests and Visitors.**
- II. Approval of Minutes:**
 - A.** Workshop Meeting on March 25, 2019.
 - B.** Regular Meeting on March 25, 2019.
- III. Discuss Consider and Action on the Following:**
 - A.** Approve Audit FY 2017-2018.
 - B.** Approve Budget Authorization – Mural Program.
 - C.** Approve Budget Amendment – Recycling Program.
- IV. Items of Interest from Council and City Manager and Citizens – No Action Items.**
 - 1.** Budget – Strategic Plan Review
- V. Executive Session**

Consider entering executive session for legal consultation with the City Attorney and discussion of pending litigation, personnel matters and land acquisition with possible action related thereto upon reconvening in open session in accordance with Government Code Section 551.071, 551.072 and 551.074
- VI. Adjournment.**

**MINUTES OF THE CITY OF CENTER
CITY COUNCIL MEETING
WORKSHOP MEETING
March 25, 2019**

The Center City Council met in a workshop session on Monday, March 25, 2019 at 4:30 p.m. in the Council Room at City Hall. The meeting was open to the public. Notices were properly posted of the date, place and hour and the news media was notified. The following members were present:

David Chadwick	-	Mayor	
Leigh Porterfield	-	Mayor Pro Tem	
Jerry Lathan	-	Council Member	
Joyce Johnson	-	Council Member	
Howell Howard	-	Council Member	Absent
Randy Collard	-	Council Member	
Terry Scull	-	Council Member	
Chad Nehring	-	City Manager	
Barbara Boyd	-	City Secretary	
John Price	-	City Attorney	

Item I. Mayor, David Chadwick opened the meeting.

Financial Forecast. City Manager, Chad Nehring and Assistant City Manager, Jim Gibson presented the financial forecast for major funds and the debt analysis.

Item II. Adjournment.

Mayor, David Chadwick adjourned the meeting at 5:00 pm.

David Chadwick, Mayor

Attest:

Barbara Boyd, City Secretary

**MINUTES OF THE CITY OF CENTER
CITY COUNCIL MEETING
REGULAR MEETING
March 25, 2019**

The Center City Council met in a regular session on Monday, March 25, 2019 at 5:00 p.m. in the Council Chambers at Center City Hall. The meeting was open to the public. Notices were properly posted of the date, place and hour and the news media was notified. The following members were present:

David Chadwick	-	Mayor	
Leigh Porterfield	-	Mayor Pro Tem	
Joyce Johnson	-	Council Member	
Howell Howard	-	Council Member	Absent
Jerry Lathan	-	Council Member	
Terry Scull	-	Council Member	
Randy Collard	-	Council Member	
Chad Nehring	-	City Manager	
Barbara Boyd	-	City Secretary	
John Price	-	City Attorney	

Guests signed the register.

Item I. Mayor David Chadwick opened the meeting and welcomed the visitors.

Item II. Public Hearing.

1. Application 2019-1 Specific User Permit for 213 San Augustine Street. There were no public comments.

Item III. Approval of Minutes of the Regular Meeting on March 11, 2019.

Council Member Joyce Johnson made a motion to approve the minutes. Council Member Terry Scull seconded the motion. All voted in favor.

Item IV. Consider Discussion and Possible Action on the following:

- A. Approve Ordinance 2019-06 Amending Drought Contingency Plan. City Manager Chad Nehring stated this is virtually the same document presented a month ago, but upon TCEQ final review they wanted more specific figures included for use reduction targets and the minor change has been made. Council Member Leigh Porterfield made a motion to approve Ordinance 2019-06 Amending the Drought Contingency Plan. Council member Terry Scull seconded the motion. All voted in favor.
- B. Approve Specific Use Permit Application 2019-1 – 213 San Augustine Street. City Manager Chad Nehring stated this item is not a rezoning of the property, but does grant use for Storage, Repair or Furniture & Fixtures as the classification identified in the zoning ordinance and allowing use in a C-1 district upon obtaining a specific use permit. Mr. Nehring stated the Planning & Zoning Commission determined that the intended use generally conformed with their determination of allowable uses within

this classification and unanimously recommended this application be approved for specific use permit under the classification inclusive of existing conditions of the site being suitable for the proposed use. Council Member Randy Collard made a motion to approve Specific Use Permit Application 2019-1 for 213 San Augustine Street. Council Member Joyce Johnson seconded the motion. All voted in favor.

- C. Approve Portacool Park User Permit Change. City Manager, Chad Nehring stated the permit granted for March 23rd has requested to be moved to April 13th. Council Member Leigh Porterfield made a motion to approve Portacool Park User Permit Change. Council member Jerry Lathan seconded the motion. All voted in favor.

Item V. Items of Interest from Council and City Manager, and Citizens – No Action Items.

Item VI. Executive Session.

Consider entering executive session for legal consultation with the City Attorney and discussion of pending litigation, personnel matters and land acquisition with possible action related thereto upon reconvening in open session in accordance with Local Government Code Section 551.071, 551.072 and 551.074.3.

Item VII. Adjournment. Mayor David Chadwick adjourned the meeting at 5:15 pm.

David Chadwick, Mayor

Attest:

Barbara Boyd, City Secretary

MEMORANDUM

TO: Mayor and City Council

FR: Chad D. Nehring, City Manager



Date: April 5, 2019

RE: Agenda Comments for Regular Meeting of April 8, 2019

REGULAR MEETING AGENDA:

III.A. Approve Audit FY 2017-2018

Mr. Eric Carver will be presenting the annual financial analysis and review as well as answering any questions. The Auditor's Opinion letter is included in the packet and the entire document will be provided as part of Mr. Carver's presentation.

III.B. Approve Budget Authorization – Mural Program

Council requested possibilities for continuation of this program to improve the look of retaining walls along roadways upon the completion of the location at Hurst and Timpson. Mr. Masterson has provided options for the retaining wall at Hwy 7 and Hurst (South Circle) as well as the two retaining walls along Timpson St. In the current budget, Council designated funds for signage or similar projects and sufficient funds remain in that line item should Council authorize proceeding on any portion of the continuation of this project.

III.C. Approve Budget Change – Recycling Program

Staff consistently reviews programs and operations to maintain budget. Due primarily to changes in demand for materials, the foundation of the recycling operations, particularly the economic context of Center's program, has changed dramatically over the last 12-18 months. Historically, material would at least be accepted without fees and generally earned slight revenues, in most years at least sufficient to cover fuel expenses. Last year, material had to be free of non-recycling material or it was all simply disposed of as garbage by the recycler at a fee, so collection trailer was relocated a controlled environment that significantly reduced garbage dumping, which has eliminated multiple trips per month with corresponding reduction in fuel expenses. Currently, even clean recyclables are no longer being accepted without some fees leaving no potential income for the program. To have budget authority to continue the program with dedicated staff and even with reduced fuel expenses but no offsetting revenue, Council does need to approve either budget change option, to either continue the program or temporarily suspending operations until the acceptance of materials rebounds.

IV. Items of Interest:

1) Budget – Strategic Plan Review/Workshop

Historically, Council has revisited components of the master plan and strategic goals either through a workshop or submitting comments and then tying that discussion into a preliminary budget workshop. If Council wants to have a special workshop, please advise of either some dates or best times before the end of April for that to be scheduled.

2) TP&W Land Substitution Submittal

Included is the formal submittal to Texas Park & Wildlife for the possible substitution of land within Center Park. Based on completed appraisals, the revised parcels meet their acceptance and area now being reviewed for final authorization from the State to complete a land exchange that would adjust the land dedicated for perpetual park use. The approval is expected in 30-60 days and surveys and deeds are being drafted during this waiting period.

3) Downtown Project

Staff and the design team met this week to work through many of the details of irrigation, electrical and material options. Communication ongoing with TXDOT to determine requirements and future maintenance responsibilities. Presently a special meeting is tentatively scheduled for April 16th for final comments before the project is presented for Council authorization on April 22nd.

4) Street Renovation Project

The weather finally had a period of cooperation such that the street contractor could make substantial progress on most of the street renovations scheduled for this year. There remain Sampson, Jennings and Watlington for asphalt surfacing, and Pine Terrace and Childs for small surface repair areas. The concrete gutter contractor has also made substantial progress on that list of improvements during the last several weeks of drier conditions.

5) Legislative Items

The Texas legislature continues to deliberate many items with impacts, mostly negative, on municipal operations and detrimental to local decision-making by locally elected officials. Some of those items of particular note are included.

6) Risk Mgmt Coverage Review

We have had several unrelated incidents and events over the last several months generating some unusual claims and requests from utility customers. To explore options for either customer information or enhanced services that could potentially be provided, staff has asked our risk mgmt./insurance consultant to provide a review of alternative products for customers or systemwide. Included is one option that some utilities, similar to one offered through CenterPoint, that will insure against deteriorated customer-side line replacement costs.



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

April 8, 2019

Axley & Rode, LLP
P. O. Box 1388
Lufkin, Texas 75902-1388

We are providing this letter in connection with your audit of the financial statements of the City of Center as of September 30, 2018 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the City of Center and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of April 8, 2019 the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and account groups of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all -
 - a. Financial records and related data [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We are in agreement with the adjusting journal entries you have proposed, and they have been posted.

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the City is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no -
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
13. As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

14. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
15. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving and amending budgets.
17. The financial statements include all component units and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
21. Provisions for uncollectibles receivables have been properly identified and recorded.
22. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
23. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
24. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
25. Deposits and investment securities are properly classified in category of custodial credit risk.
26. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
27. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within the prescribed guidelines and methods of measurement and presentation have not changes from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
28. You have recommended adjusting journal entries that have been posted. We are in agreement with those adjustments.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in the aforementioned financial statements.

Jim Gibson

From: David Masterson <trophyquest@gmail.com>
Sent: Monday, April 01, 2019 2:00 PM
To: Jim Gibson
Subject: new location contract

- a. The Davmar Gallery - update**
- b. Proposal for Public Art Project**

Mission Statement

Its our hopes at Davmar Gallery to continue to create a cultural catalyst for further development in the City of Center with our investment of the Davmar Art Gallery. In short: Downtown is about to go through a major renovation. This is the perfect time for renewal and growth in our business's and neighborhoods through art by continuing to establishing a visual " art " presence throughout our town. Our "painted " gallery building, the side buildings (soon to be painted) and Bank Street ally, are fast becoming a tourist attraction. The gallery is a space thats inviting in the evenings and weekends, we have things going on thats interesting, engaging, nurturing for the youth and promoting their creativity. By having the foresight to embrace this "ART" vision we have purposed we believe you are planting seeds that will grow into something Center has been needing for a long time. Change. Visible I see it change. Honor our history but embrace new possibilities, new horizons, for everyone. Art crosses all barriers, all languages, all cultures and demographics. Its non intrusive, non statement, just good old make you smile and a tad bit curious.

UPDATE - a. I have been juried for 5 art shows this spring throughout Texas. My exposure at these ART shows draws people to the gallery in Center. b. We are scheduled to unveil 3 massive paintings at Shriners Hospital Galveston May 20. This took will offer my work at the gallery unprecedented exposure with the hopes people seek out the gallery. c. Theres another tad of " exposure" coming for me and the gallery, to what extent I am not sure, but, nevertheless, I have no control over nor can say much about it other than it will soon be out via ABC and the show 2020.

The Project

What will I paint? Because we have started the wildflowers motifs at intersection its only logical to continue the same design, colors, flower/ sky ratio. Noted on attached photos I would like to also paint the electrical box and 6ft up the light pole at Tenaha and Timpson intersection

Goals for this project

Create colorful public art for an outdoor environment that reflects the seasonal landscapes of East Texas, the spirit of art and culture in Texas and the historical heritage of our town and the area we live in.

Engage our local artist community through educational unity and collaborate with art instructors from the school systems (what ones are left) but not limited to, volunteer participation in the projects.

To complete this project * on time and within budget.

* As part of the social media platform at the gallery our plans are to complete most projects in the cover of night, mostly by myself but sometimes with a team of artists. We want people to wake up mornings and be surprised and smile. We want buzz to start.

Policies

At the time a contract is awarded, the ownership of the design painted on said location in this case the public space, will become the property of the City of Center, Texas.

Financial compensation and insurance for completion of the art project will be made in accordance with the agreed upon contract between the artist and the City of Center, Texas. A maintenance plan is included

Location & Site Specifications

Retaining walls starting at Nacogdoches street and Hwy 96 that run east to curve facing LCI (Now on hwy 7 /96 intersection

Cost: Labor & materials both walls: 2000.00- paid upon completion

Time to complete: 6-8 days

Day 1 - prep area- power wash - one coat block filler white paint - industrial oil base paint as finish coat

UV Protector applied 30 days after completion

Artist Maintenance Plan for the proposed Public Art Project

There is special no maintenance required. Surface will be cleaned and have clear coat sealer applied every 5 years

- The cement wall will be prepared by power washing surfaces. Applying one coat of exterior grade block primer according to manufacturer's instructions. Primer will be rolled on surfaces

- Two applications of anti-graffiti/anti-ultraviolet coating will be applied by the artist according to manufacturer's instructions 30 days after completion.
- Recommended future maintenance plan - routine surface inspections, surface cleaning, or additional coats of protective paint.

As an applicant for the opportunity to complete this public art project for the City of Center, Texas, I certify that all works submitted represented as my work are the product of my creation and no other. I further certify that all statements made in this application are true to the best of my knowledge. I understand that the City of Center, Texas may use images or the projects for promotional purposes

Artist signature: _____

City of Center: _____

Date: _____



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

Date: March 29, 2019
To: Center City Council
From: James P. Gibson
Subject: Recycling Program

The market dynamics of municipal recycling programs have changed. Companies have stopped taking recycled materials to repurpose into new products and now there is little demand for these materials. Please see the attached article for some additional information. This market change has affected Pratt Industries, our collector and is now affecting the City in the following ways.

- The City has not received a payment from Pratt since September 2018. An email correspondence states that if we begin sorting recyclable materials, then we may get a credit.
- Starting in March, Pratt is now charging the City for disposal of recyclable materials with a negligible credit offset.

Frequently, someone will place unallowable materials into the recycling trailer (e.g. glass or hydraulic hoses) and the City receives a bill for that. This was the primary reason why the trailer was moved to the Riggs Street City Annex.

Given these circumstances, the Council must evaluate the program from a budgetary standpoint. To date, the recycling program has directly cost the City \$1,176 in fuel and fees plus the indirect expense of staff time and no offsetting revenue received.

Given these circumstances, namely that this program is all cost with no fiscal or substantive return, it is staff's recommendation that the recycling program be suspended unless a corresponding budget change is adopted.

Retaining the program		Suspending the program	
Recycling revenue	Change to \$0	Recycling revenue	Move to \$0
Vehicle Maintenance	Change to \$5,000	Vehicle Maintenance	Reduce to \$0
Fuel	Change to \$3,000	Fuel – account for current expend.	Increase to \$1,200
Total Expense/(Saving)	\$8,000		\$1,200

PLANETIZEN

U.S. Recycling Markets in Free Fall After China Pulls Import Plug

China has stopped purchasing the recyclables that millions of Americans place curbside on recycling days, upending the industry. Recyclables are already directed toward landfills as domestic markets are sought. Berkeley, Calif. may go a novel route.

May 16, 2018, 12pm PDT | [Irvin Dawid](#)



robertwcoy / [Shutterstock](#)

Just as Americans can count on Chinese manufacturers filling the shelves of Walmarts, they could also count on China's recycling companies buying the tons of mixed-paper and plastic, metal, and glass picked-up by waste-hauling companies and processed by domestic recyclers.

"China last week suspended all imports of U.S. recycled materials until June 4...effectively cut[ting] off exports from the U.S., the world's largest generator of scrap paper and plastic," reports [Bob Tita](#) for *The Wall Street Journal* on May 13. "The recycling industry interpreted the move as part of the growing rift between the [U.S. and China over trade policies and tariffs](#)."

Used newspapers, cardboard boxes and plastic bottles are piling up at plants that can't make a profit processing them for export or domestic markets.

Tita writes that recyclers are going to have to find domestic markets for the materials they collect; "a long-term issue," said one industry analyst. In the meantime, more recyclables will likely end up in landfills.

Until recently, waste-hauling companies were paying cities for their recyclables, but that changed when China tightened standards for contamination to 0.5%.

As cities aggressively expanded recycling programs to keep more discarded household items out of landfills, the purity of U.S. scrap deteriorated as more trash infiltrated the recyclables. Discarded food, liquid-soaked paper and other contaminants recently accounted for as much as 20% of the material shipped to China, according to [Waste Management Inc.](#)'s estimates, double from five years ago.

Waste-haulers have begun charging customers to collect recyclables as prices have dropped. Asian nations that are accepting mixed paper and plastics dropped their prices from \$150 per ton last year to \$5 this year after "China stopped taking shipments of U.S. mixed paper and mixed plastic in January," adds Tita.

Sacramento County used to earn \$1.2 million a year selling scrap to Waste Management and another processor that county employees collected from 151,000 homes. Now, the county is paying what will amount to about \$1 million a year, or roughly \$35 a ton, to defray the processors' costs. Waste Management paid the county \$250,000 to break the revenue-sharing contract and negotiate those terms.

Other changes include some cities ending "single-stream" recycling, where all recyclables go in one bin, in order to reduce contamination. Mixed plastic may no longer be salvageable due to lack of markets.

Alternative strategies

"It's going to take domestic demand to replace what China was buying," said William Moore, president of [Moore & Associates](#), a recycled paper consultancy in Atlanta. "It's not going to be a quick turnaround. It's going to be a long-term issue."

The "Three Rs" approach to sustainable waste management

The [U. S. Environmental Protection Agency](#) reminds us that recycling is the "third R": reduce and reuse, respectively, come first and second. With that approach in mind, "[t]he City of Berkeley, California, has introduced the [Disposable Foodware and Litter Reduction Ordinance](#), the most ambitious and comprehensive piece of municipal legislation in the U.S. aimed at reducing single-use disposable foodware," [according to](#) the Plastic Pollution Coalition's announcement on April 26. [See [KPIX video](#) on proposed ordinance].

"Under the ordinance, to-go-food containers would have to be 100 percent compostable or recyclable, with some exceptions," [reports](#) Kimberly Veklerov for the *San Francisco Chronicle* on April 24.

Customers would pay 25 cents per cup or container, and restaurants would keep the proceeds to purchase more environmentally friendly food ware. Straws, napkins and coffee stirrers would be free upon request.

"The idea that we can just use stuff and recycle it and it'll be rosy on the other end is just not the reality," said [Councilwoman Sophie Hahn](#), who proposed the ordinance with [Mayor Jesse Arreguin](#). "We simply have to change our relationship with disposable food ware and ultimately all disposable items."

The principle behind the Disposable Foodware and Litter Reduction Ordinance is based on ordinances that banned [single-use plastic bags](#) adopted by a large number of California cities. In 2014, [Gov. Jerry Brown \(D\)](#) signed legislation that made the ban [statewide](#). Customers who fail to bring reusable bags to the market can purchase a paper bag or reusable plastic bag for a dime. Two years later, [voters rejected a plastics industry-backed referendum](#) of the legislation that would have repealed the legislation.

However, other states have not followed this "reuse" path. In fact, [Arizona](#), [Missouri](#), and [Michigan](#) have taken the opposite path, banning cities from adopting single-use plastic bag bans. [According to](#) the Sierra Club, as of last December, seven states prohibit cities from adopting ordinances to ban single-use plastic bags.

Click [here](#) to access the original *Wall Street Journal* article [behind a paywall for those without subscription].

FULL STORY: [Recycling, Once Embraced by Businesses and Environmentalists, Now Under Siege](#)

Published on Sunday, May 13, 2018 in *The Wall Street Journal* via *MSN Money*

TOPICS | [Asia-Pacific](#) | [China](#) | [United States](#)

MORE

https://www.news-journal.com/news/local/as-costs-skyrocket-more-u-s-cities-stop-recycling/article_bebcde50-485e-11e9-8a03-9f1df1c678d5.html

As costs skyrocket, more U.S. cities stop recycling

From Staff and Wire Reports Mar 20, 2019



While working her South Longview route Tuesday, Stephanie Jones, of the Longview Sanitation Department, rolls recycling bin to the curb for a customer who has requested assistance.

Michael Cavazos/News-Journal Photo

As it collapses in many parts of the country, curbside recycling remains viable in Gregg County cities — but it's unclear how long that will continue.

As the practice has become an almost reflexive effort by residents and businesses to reduce waste and help the environment, overseas demand for some recycling materials has fallen in the past few years. In some cities, that has led to an oversupply of material, higher costs and shutdowns of recycling programs.

While facing that squeeze, area municipalities' recycling programs so far are continuing to operate.

"U.S. cities have done a great job recycling, but as the (overseas) demand lowers, the value of these materials also decrease," said Dwayne Archer, assistant public works director for the city of Longview.

That equation has forced some cities to rethink their recycling programs.

For example, Philadelphia is now burning about half of its 1.5 million residents' recycling material in an incinerator that converts waste to energy. In Memphis, the international airport still has recycling bins around the terminals, but every collected can, bottle and newspaper is sent to a landfill.

And last month, officials in the central Florida city of Deltona faced the reality that, despite their best efforts to recycle, their curbside program was not working and suspended it.

Those are just three of the hundreds of towns and cities across the country that have canceled recycling programs or limited the types of material they accepted.

Without changes in the economics, that could be the future for recycling in Kilgore, said Gene Keenon, manager of municipal and government affairs for Republic Services, which handles recycling for that city.

“There’s such a high cost now to try to recycle, just to get the material recovery centers to accept anything,” he said. “It just bottlenecks where they are, and they can’t ship it out. Storing it for a long period of time creates a lot of issues.”

Prompting this reckoning is China, which until January 2018 had been a big buyer of recyclable material collected in the United States. That stopped when Chinese officials determined too much trash was mixed in with recyclable materials like cardboard and certain plastics. After that, Thailand and India started to accept more imported scrap, but they, too, now are imposing new restrictions.

The turmoil in the global scrap markets began affecting American communities last year, and the problems have only deepened.

With fewer buyers, recycling companies are recouping their lost profits by charging cities more — in some cases four times what they charged last year.

In Longview, Archer said all paper, plastic and metal cans collected through curbside recycling continue to be processed by Rivers Recycling in Kilgore. But as in most other U.S. cities, the fees Rivers charges have increased dramatically — and collections continue to increase.

“We are fortunate that even with the addition of (fees at Rivers), at this time recycling is still a viable option for Longview,” he said.

Republic Services also sends most recyclables to Rivers. Many of the items processed there are sent to other locations in the U.S. to be turned into new, recycled products. But it keeps getting harder to find somewhere to send the excess.

“I think if it ever got so bad that we didn’t have a place to take the recyclables, we would just take up our collection program and ask people to just throw everything in the trash,” Keenon said.

Amid the soaring costs, cities and towns are making hard choices about whether to raise taxes, cut other municipal services or abandon an effort that took hold during the environmental movement of the 1970s.

“Recycling has been dysfunctional for a long time,” said Mitch Hedlund, executive director of Recycle Across America, a nonprofit organization that pushes for more standardized labels on recycling bins to help people better sort material. “But not many people really noticed when China was our dumping ground.”

Perhaps counterintuitively, the big winners appear to be the nation’s largest recyclers, like Waste Management and Republic Services, which are also large trash collectors and landfill owners.

Recycling had been one of the least lucrative parts of their business, trailing hauling and landfills. Analysts say many waste companies had historically viewed recycling as a “loss leader,” offering the service largely to win over a municipality’s garbage business.

That equation is starting to change. While there remains a viable market in the United States for scrap like soda bottles and cardboard, it is not large enough to soak up all of the plastics and paper that Americans try to recycle.

The recycling companies say they cannot depend on selling used plastic and paper at prices that cover their processing costs, so they are asking municipalities to pay significantly more for their recycling services.

The higher recycling fees, analysts say, will help bolster the largest companies’ already booming businesses. Waste Management reported strong operating profits in 2018, while Republic reported increased revenue driven by its waste business.

When China was buying cardboard and plastics, recycling was a revenue source for the city of Longview via Rivers. That changed last year, when the city in June said it expected to begin paying the company \$20 per ton of materials delivered there.

Officials said that still produced a net gain for the city, which was saving on its landfill costs with recycling.

Elsewhere in the U.S., cities have found other solutions to such shifts.

In Philadelphia, for example, the city came up with what it says will be a temporary solution. It identified the neighborhoods with the most contamination in its recycling bins and started sending their material to an incinerator in nearby Chester, Pennsylvania. The rest still send their material to a recycling facility.

The incinerator converts the waste to energy, which can be sold back to the electrical grid, said Carlton Williams, Philadelphia's streets commissioner. But that has done little to alleviate many residents' environmental angst and concerns about increased air pollution.

In East Texas, residents can help out their city's program by paying attention to what they put into their recycling bin.

"The best thing we've stressed for 20 years that we've been recycling in this area is to put only the things that are recyclable in the recycling container," Keenon said.

— This story includes information from staff writers Jimmy Isaac in Longview, Lucas Strough in Kilgore and News-Journal wire services.

Date: April 4, 2019

To: Center City Council

From: James P. Gibson, Asst. City Manager

Subject: Strategic Plan Review

During the last couple of budget cycles, the City Council has taken some time to review the Strategic Plan included in the budget book. This exercise allows the Council to clarify its desires and communicate to staff its priorities and see if there are any areas that require additional attention.

We fully understand that the City's focus for the following year is going to be on the Downtown project. However, the Downtown project, Goal A. Objective 5 and Goal C. Objective 1, is only one component within a larger context.

The question is, would the Council feel it is a valuable use of time to review the plan for next year's budget. There are a few items that staff would like to include in the future plan. Below is a brief description of some of the steps taken in FY 2019 on the remainder of the Strategic Plan.

Location	Name	Activity/Status – FY 2019
Goal A. Objective 1	Develop relationships with local industries and be responsive of their needs.	Had one site visit with the new Wal-Mart store manager. Working on scheduling other site visits. Communicated with Tyson on expansion plans
Goal A. Objective 2.1	Expand relationships with site consultants.	Scheduled consultant meetings in Houston for April 24 and will schedule meetings in Dallas.
	Market to companies in targeted industries	Ongoing email marketing campaign. Attended two trade shows.
Goal A. Objective 2.7	Respond to prospect leads	Ongoing: Misty Mountain, Lexington, Golden Heights, Quality Control, Unnamed
Goal A. Objective 5 and Goal C. Objective 1	Aesthetic improvements	INNOVA grant applications - ongoing
Goal A. Objective 3.1 and Goal D. Objective 1	Work to enhance the school's reputation	Working with Center ISD, Shelby County, Chamber of Commerce to create joint marketing plan.
Goal A. Objective 3.2	Relationships with utility providers	Met with DETEC, AEP, AT&T
Goal A. Objective 3.3	Continue engagement with regional and state agencies	City and EDC hosted regional economic development training. Remaining active in TFCP, TEDC, DETCOG, and Chamber
Goal B. Objective 1	Grow the physical boundaries of the City	Identified potential candidate tracts for annexation.
Goal B. Objective 2	Create vibrant housing market	Parker Place lots – Local Government Corporation
Goal C. Objective 1	Engage in efforts to aesthetically enhance City's appearance	Installed new entryway sign. Demolished two blighted structures. Ordered replacement banners. Contracted with artist to paint murals.
Goal C. Objective 2	Develop Center as a tourist destination	Will host ball tournaments Summer 2019
Goal C. Objective 3	Build out of park system	Ballard Street Soccer Complex should be complete in summer 2019.
Goal E. Objective 1	Utility System	Working to identify projects for bond issue. Developing 96 sewer main project Completed line projects on Jennings, Watlington and Bolton Streets Completed WWTP rehab. Passed TCEQ inspection reports. Implemented system Backflow Preventer monitoring.
Goal E. Objective 3	Implement Airport CIP plan	City paid project contribution. Waiting on TxDOT Aviation
Goal E. Objective 5	Improve City's transportation system	TxDOT CIP project approved and awaiting construction authorization.



**CITY OF CENTER
STRATEGIC PLAN
FY 2018 – FY 2020**

VISION STATEMENT

By the year 2030, the City of Center will be a community significantly larger than its' current size and be known as a desirable community with an enviable quality of life, a diversified economy, an attractive physical environment, and a variety of housing choices.

This will be accomplished by a strategic planning approach, innovative and aggressive policies and programs, and a relentless pursuit of quality.

The Center City Council adopted an updated Comprehensive Plan in 2014 that identifies a number of issues that warrant attention. The list can be condensed into four primary categories: Economic Development, which includes housing development and tourism promotion; Quality of Life which includes community beautification and community amenities; Growth and Physical Development of the utility and transportation system; and Improvements in understanding and communication.

Each of these imperatives are of varying importance and require action at different points in time.

Strategic Importance	High	Economic Development	
		Annexation	
		Quality of Life	
		Improve Understanding and Communication	
	Low		Beautification
		Housing Development	Community Amenities
		Tourism Development	
	Short	Long	
Time Frame			

In the Summer of 2017, the City Council held a planning retreat where they identified the following strengths, weaknesses, opportunities, and threats.

<p align="center"><u>Strengths</u></p> <p>Financially sound City Active economy and civic groups Functional council and staff Infrastructure (Water, Civic Center, hotels, airport, downtown) Industrial base</p>	<p align="center"><u>Weaknesses</u></p> <p>General cleanliness Lack of: Housing, medical facilities, food and dining options, land for industrial development Branding/image Private property improvement/Pride</p>
<p align="center"><u>Opportunities</u></p> <p>Marketing Improved relationships with County and ISD Return of oil/gas activity Sports tourism Water availability</p>	<p align="center"><u>Threats</u></p> <p>Loss of industry/employers Continuing 'run down' appearance</p>



To assist in budget development, in Spring of 2017, the Council was provided a survey to assist staff in crafting budget priorities, which also serves to justify the continuation of strategic plan goals and objectives.

The Council's top 5 goals in order of importance are:

- Economic Development
- Financial Stability and Sustainability
- Growth Planning
- Ensure Quality Utility Operations
- Address Public Safety Concerns

The following sections will explain in detail the strategic imperatives.

GOAL A. ECONOMIC DEVELOPMENT: THE CITY OF CENTER WILL BE A PLACE WITH A VIBRANT BUSINESS ENVIRONMENT WITH A DIVERSIFIED ECONOMIC BASE.

Objective 1. Develop relationships with local industries to foster active listening and communication so that the City can be responsive to their needs. (Comp Plan #13)

1. Conduct a periodic business survey
2. Conduct annual site visits to local industries
3. Resume quarterly industrial breakfasts
4. Provide market and other necessary data and technical assistance for local businesses

Objective 2. Expand and diversify the local industrial base.

1. Expand relationships with business consultants (Comp Plan #11)
2. Focus on spin-off/companion companies and opportunities (Comp Plan #9)
3. Continue to pursue programs providing incentives or funding for encouraging new businesses (Comp Plan #15)
4. Ensure no restrictive zoning regulations to accommodate target industries (Comp Plan #14)
5. Increase the number of developable and marketable sites in the City for different types of development (i.e. industrial, retail, commercial)
6. Identify, foster and develop small businesses through an entrepreneur development and assistance program
7. Market to identified companies within targeted industries and respond to prospect leads

Objective 3. Continue and encourage coordination, cooperation, and building regional relationships with economic development allies. (Comp Plan #12)

1. Partner with Center ISD to enhance the school's reputation as being a quality school district
2. Foster relationships with regional utility providers
3. Continue engagement with regional economic development agencies (e.g. Texas Forest Country Partnership, Northeast Texas Economic Developer's Roundtable, the Right Corner)
4. Become active in Statewide economic development activities (e.g. Team Texas, Texas One, Governor's Office, Texas Economic Development Council)



Objective 4. Develop the local workforce and human capital capabilities.

1. Participate in the Center ISD Career and Technical Education (CATE) program
2. Remain active in the Panola College Advisory Board
3. Seek out additional educational alternative opportunities

Objective 5. Transform the Center Historical Downtown Square into an economically vigorous area.

1. Continue to plan for the downtown streetscape enhancement project (Comp Plan #4)
2. Develop a model of the ideal mix of businesses for the downtown area
3. Ensure that the downtown area regulations are compatible with the vision and plans.
4. Update or adopt codes to encourage the reuse of existing structures in the downtown square (Comp Plan #17)
5. Market the INNOVA façade improvement grant program to incentivize the redevelopment of existing structures in the downtown square
6. Encourage mixed use projects in the downtown area (Comp Plan #5)
7. Seek to become one of the most dynamic downtowns in East Texas

Objective 6. Develop Center as a retail hub.

1. Resume the retail recruitment effort
2. Encourage/incentivize retail-ready development projects

GOAL B. METHODICALLY GROW THE CENTER CITY LIMITS AND POPULATION IN AN ORDERLY MANNER

Objective 1. Grow the physical boundaries of the City

1. Review the Future Land Use Maps and revise the City's zoning map to reflect Future Land Uses.
2. Identify utility extension projects which will allow for system growth; Coordinate annexations with utility system expansions
3. Identify areas that are candidates for annexation and pre-emptively secure development agreements
4. Secure high value areas in the ETJ which the City can easily annex

Objective 2. Create a vibrant housing market in Center with a mix of full life-cycle housing units (Comp Plan #23)

1. Develop strategies to encourage the construction of single and multi-family developments (e.g. TIRZ, utility and street construction, construction rebates, tax abatements) (Comp Plan #27)
2. Encourage appropriate residential in-fill development (Comp Plan #25)
3. Seek to stabilize neighborhoods, housing stock, and property values by creating a housing maintenance program (Comp Plan #26)
4. Encourage individual home ownership by helping to create a pipeline of potential home buyers.
5. Encourage volunteer teams to repair blighted housing units
6. Sponsor HOME grant applications and other governmental assistance programs

Objective 3. Coordinate efforts with Center ISD regarding population growth rates and direction.



GOAL C. PROACTIVELY ENGAGE IN ACTIONS THAT WILL ENHANCE CENTER'S QUALITY OF LIFE

Objective 1. Engage in creative efforts to aesthetically enhance Center's physical appearance

1. Aesthetically enhance targeted areas (e.g. Roughrider Drive, Hurst Street, focal points, community facilities)
2. Identify strategic locations in the City for placement of forms of public art (e.g. murals, sculptures, display art)
3. Install entryway and directional signage (Comp Plan #21)
4. Adopt signage, landscaping, and property maintenance codes (Comp Plan #19, 20)
5. Continue demolition of blighted structures

Objective 2. Develop Center into a tourist destination

1. Partner with organizations to create new events which will serve as draws to the community
2. Target civic center marketing efforts on events which will bring out-of-area visitors
3. Engage with the school other entities to attract more regional activities to Center
4. Grow the Recreation Program to expand and create ventures in athletic tournaments and events
5. Develop the presence of art in the community

Objective 3. Build the best park system for a mid-sized East Texas City

1. Continue implementation of the Parks Master Plan
2. Promote walkability and pedestrian connectivity (Comp Plan #22)
3. Complete Ballard Street Soccer Complex and planned Perry Sampson Park projects

Objective 4. Enhance the area's health care system

GOAL D. ENGAGE THE COMMUNITY BY IMPROVING UNDERSTANDING AND COMMUNICATION

Objective 1. Enlarge the City's marketing and external recognition efforts.

1. Develop a branding strategy to promote a consistent and cohesive identity for Center (Comp Plan #16)
2. Develop a media strategy involving the creation of compelling content with social media activity
3. Resume community outreach programs (e.g. Coffee with the Mayor, quarterly mayors meetings, industrial breakfasts)
4. Seek out external awards to earn recognition for efforts.
5. Continually update data on websites
6. Create themed months to generate awareness of certain topics.

GOAL E. ENHANCE CORE PUBLIC SERVICE DELIVERY

Objective 1. The City of Center will construct a reliable and safe utility infrastructure system which will provide excellent service to all customers

1. Develop plant improvement programs (i.e. water production and sewer treatment plants)
2. Implement the water master plan to address future needs



-
3. Explore long term water needs
 4. Identify those areas of the City that are in need of enhanced pressure or looping
 5. Identify those areas where utility lines need to be replaced or enlarged
 6. Continue negotiations with other water supply corporations for the City to provide water or acquire systems.

Objective 2. Enhance drainage systems to protect property

1. Identify drainage projects for maintenance or enlargement
2. Review FEMA floodplain maps
3. Enforce storm water prevention standards on large developments

Objective 3. Implement the Center Municipal Airport Capital Improvements Plan

Objective 4. Enhance public safety programs and outreach

Objective 5. Make improvements to the City's transportation system

1. Continue the annual street maintenance program
2. Develop collector street system based on areas planned for infrastructure expansion (Comp Plan #7)
3. Coordinate with TxDOT for highway improvements



**CITY OF CENTER
STRATEGIC PLAN
FY 2019 IMPLEMENTATION PLAN**

The secondary component of the strategic plan is the development of an annual implementation work plan to:

- Compartmentalize the strategic plan into manageable pieces;
- Allow Council the opportunity to evaluate annual goals and objectives;
- Allow Council to set funding priorities on projects designed to further the strategic plan.

The annual strategic work plan is divided into two sections – those projects that are specifically identified and funded and those areas that the City will provide attention to which will take time but not necessarily dedicated resources.

The work plan is organized by Goal-Objective and which department or fund is tasked with the program/project. A funding level is also provided, if applicable.

FY 2019 FUNDED PROJECTS/ACTIVITIES

Goal A			
Objective 1.1	Business Survey – software and postage	4A EDC	\$500
Objective 1.3	Quarterly industrial breakfasts	4A EDC	\$1,000
Objective 1.4	Data acquisition – Retail, housing and labor market data	4A EDC	\$2,000
Objective 2.1	Develop relationships with strategic partners	4A EDC	\$2,000
Objective 2.2	Marketing contract with consultant – focusing on food, wood and metal industries	4A EDC	\$10,000
Objective 2.2	Attend selected trade shows and related events	4A EDC	\$2,000
Objective 2.5	Increase portfolio of documented sites	4A EDC	\$75,000
Objective 2.5	Identify and evaluate options for business park	4A EDC/City	\$0
Objective 3.3	Opportunities for regional-level cooperative marketing	4A EDC	\$3,000
Objective 4.1	Conduct a skills gap analysis and develop strategies to address needs	4A EDC	\$0
Objective 4.3	Explore options for additional higher ed facilities in Center	4A EDC	\$0
Objective 5.1	Evaluate the feasibility of a Public Improvement District	4A EDC	\$0
Objective 5.1	Explore funding options for Downtown Streetscape plan	4B EDC/City	\$0
Objective 5.5	Downtown façade improvements	4A EDC	\$40,000
Objective 6.2	Acquire underutilized sites for retail development	4A EDC	TBD
Objective 6.2	Work with property owners to market tracts	4A EDC	\$0
Goal B			
Objective 1.2	Water utility expansion	Water Distribution	\$120,000



Objective 2.1	Evaluate and amend the housing development assistance policy	City Hall	\$0
Objective 2.1	Identify additional developers /builders	City Hall/4A EDC	\$0
Objective 2.3	Evaluate the feasibility of a housing maintenance and landscaping code	City Hall	\$0
Objective 2.4	Create a local government corp. to sell acquired residential lots/reinvest for continued development	City Hall	\$0
Goal C			
Objective 1.1	Develop Roughrider Drive corridor plan	TIF	\$0
Objective 1.1	Develop Hurst Street corridor plan	City Hall	\$0
Objective 1.3	Install additional entry way signs	City Hall	\$20,000/ea
Objective 3.1	Advance development of Ballard Street soccer complex	Parks	\$250,000
Objective 3.1	Parks Master Plan update	Parks	\$12,500
Goal D.			
Objective 1	Update websites, develop marketing campaign	City Hall, 4A EDC	TBD
Goal E			
Objective 1.1	Perform annual water tank maintenance	Water Production	\$90,000
Objective 1.1	Perform annual water lagoon maintenance	Water Production	\$70,000
Objective 3	Rehab the airport runway and reconstruct Taxiway D	Airport	\$85,000
Objective 4	Conduct the ISO analysis	Fire	\$15,000
Objective 5.1	Annual street maintenance program	4B EDC	\$600,000

ONGOING PROJECTS

Goal A			
Objective 1	Business outreach	4A EDC, City Hall	
Goal B			
Objective 1.4	Annexation	City Hall	
Objective 2.1	Enhance housing stock	4A EDC, City Hall	
Goal D			
Objective 1.5	Website update	4A EDC, City Hall	
	IT Services	City Hall/Technology Fund	
Goal E			
Objective 1.3, 1.4	Identify utility lines for upgrade	Water Distribution, Sewer Collection	



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

March 23, 2019

Ms. Dana Lagarde, Director
Recreational Grants
Texas Parks & Wildlife Department
4200 Smith School Road
Austin, Texas 78744

RE: Center Park Land Conversion - City of Center

Dear Ms. Lagarde:

The City of Center would like to request a land conversion for the Center Park project #50-00269. The City of Center and the Center Independent School District (CISD) have partnered for several years on several different projects in order to provide recreational opportunities for both the general public and the students that attend Center Schools. In July 2000, the City of Center applied for a Non-Urban Outdoor Grant to assist in the funding of Center Park. This application included a 50 acre land donation and \$125,000 from CISD.

This particular land conversion focuses on 7.10 acres (valued at \$176,000) of the 13.8 acres of land currently owned by the City of Center in close proximity to the school. Over the past 18 years, the school has seen a large amount of growth and needs to construct additional infrastructure to sustain the growing population. The existing 7.10 acres, owned by the City, for conversion is currently used by CISD students for sports practice fields and PE classes. Due to the close proximity to the school, the majority of the general public does not use this area because they think the area is designated for school activities.

The CISD currently owns an 8.08 acres (valued at \$176,000) of land adjacent to the City owned land and is willing to swap the land if TPWD grants permission. The existing city owned land is open, flat pasture that is suitable for future buildings. The CISD land is heavily wooded and will provided a plethora of recreational opportunities for the residents of Center. In addition to the existing trail, the City is committed to constructing picnic areas, bench stations and interpretive signage.

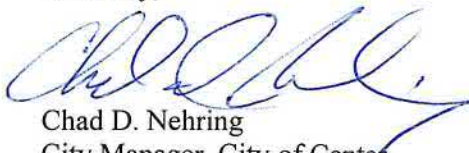
City and the CISD officials have met on several occasions and discussed all the alternatives to the land conversion and ultimately decided that it was in the best interest for the general public, the CISD and the City to trade properties. This land conversion opportunity will develop opportunities for passive recreational spaces and allow

the school to continually grow and develop its campus. In addition, Texas Parks and Wildlife will benefit because additional valuable natural resources will be acquired and preserved as natural open space.

The following pages include a project narrative for both the existing city owned land the proposed CISD owned land for the conversion. Property boundary maps, an environmental assessment, an appraisal for both the CISD owned and City owned properties and a locator map can also be found in the following pages.

The City of Center looks forward to working with Texas Parks & Wildlife in order to orchestrate a land conversion that will benefit the City of Center residents, Texas Parks and Wildlife, the City and the CISD. Thank you for the opportunity and should you have any questions or need further information please feel free to contact me or our park consultant Hunter Rush at 903.597.6606.

Sincerely,



Chad D. Nehring
City Manager, City of Center

Enclosures

cc: Hunter N. Rush

MHS Planning & Design, LLC

Chad Nehring

From: Texas Municipal League <tmladmin@tml.ccsend.com> on behalf of Texas Municipal League <tmladmin@tml.org>
Sent: Tuesday, March 26, 2019 11:50 AM
To: cnehring@centertexas.org
Subject: Legislative Alert: Bills would Eliminate up to Six Percent or more of your City's Revenue, Overnight



Senate Bill 1152 by Hancock (and its house companion H.B. 3533 by Phelan) would allow the state to rob cities of their existing right-of-way rental fees (still sometimes referred to as "franchise fees"). The bills would allow any company that provides telephone and video services to stop paying the lesser of its statewide telephone access line fees or state cable franchise fees.

The industry's buzzwords for the bill say that they are being "double-taxed." That's untrue for two reasons:

1. The money they pay isn't a "tax." It's a rental for the use of taxpayer-owned property. It's nothing more than any other cost of doing business. The only difference is the companies are renting public, as opposed to private, property. Cable and phone companies are asked to pay for the right-of-way they occupy in the same manner as a commercial retail lease. They pay a percentage of the revenue from operating their business as rent for the use of taxpayer-owned property. The more revenue they get, the more the property is worth to them, and the more rent they pay. Whether part of the business is called "phone service" and part called "cable service" makes no difference in determining its value.
2. The Texas Constitution prohibits the legislature from forcing a city to give away publicly-owned property for less than fair market value. The bills are unconstitutional because they eliminate value-based compensation. In other words, the compensation would no longer be based on the value of the right-of-way to the companies.

The bills are not about double-taxation, or taxation of any kind. Rather, they would force city taxpayers to subsidize the cost of doing business for the companies. The bills are simply corporate welfare for some of the largest and most profitable companies in the world. With no guarantee that the companies will pass this taxpayer

subsidy on to their customers, they are nothing more than a windfall to massive corporations on the backs of taxpayers. Put another way, it's as though the legislature is condemning a portion of the right-of-way and giving it to these companies for a fraction of its true value.

Senate Bill 1152 has momentum. It has already been voted from the Senate Business and Commerce Committee, and only your efforts can stop it. You should visit with [your Senator and Representative](#) today about how this bill would impact your budget. You may also want to speak with your local cable and phone company representatives about why they are supporting the unconstitutional legislation.

The message is this: Pulling the rug out from under Texas city budgets in violation of the Texas Constitution simply won't fly. Of course, cities are more than willing to work with the industry to support an interim study of right-of-way fees and try to reach a solution that keeps our economy strong, while protecting city taxpayers.

Contact Scott Houston, TML general counsel, at shouston@tml.org with questions.



Texas Municipal League, 1821 Rutherford Lane, Suite 400, Austin, TX 78754

[SafeUnsubscribe™ cnehrling@centertexas.org](#)

[About our service provider](#)

Sent by tmladmin@tml.org

NLC Service Line Warranty Program



With over 500 cities, towns and villages participating and a 98% customer service satisfaction rating, our program can help you save your residents thousands of dollars. But don't just take our word for it; we'll let Edward, a resident of Phoenix, AZ, tell you the rest!

Since enrolling in the program, Phoenix has lead the pack in educating resident on their service line responsibilities, enabling coverage for over \$3.3 million in claims. Below is a testimonial video from one of the thousands of Phoenix residents who have benefited from the NLC Service Line Warranty Program.

How the Program Works



Helping Your Residents Afford Costly Repairs

The NLC Service Line Warranty Program gives your residents who have not set aside money to pay for an unexpected, expensive utility line repair the opportunity to obtain a low cost warranty that will provide repairs for a low monthly fee, with no deductibles or service fees.

Employing the Local Workforce

The work is performed by licensed, local plumbers who will call the customer within one hour of filing a claim. The repair is performed professionally and quickly, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

At No Cost to Your City

There is no cost to your city to participate in the program. PLUS, your city receives a share of the revenues collected! Implementation is easy and USP provides all of the required services. To get started - click here (<http://www.utilitysp.net/contact/>)

If you are a local elected official looking to implement this program in your city, please contact Katie Colten at 202-626-3160 or by email at kcolten@nlc.org ([mailto: kcolten@nlc.org](mailto:kcolten@nlc.org)).

Private Video

Log in to watch (if you have permission)

Log in

SHARES

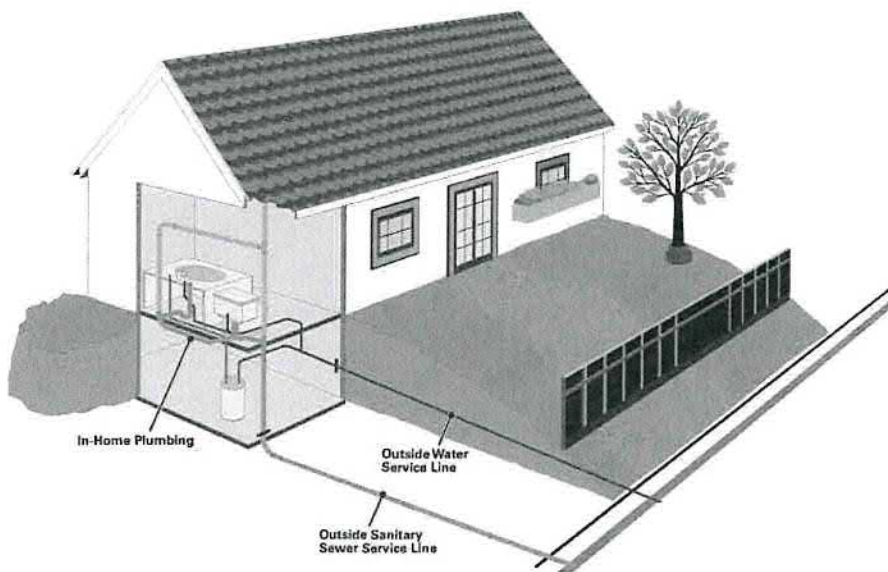


Plan Coverage

Giving your community peace of mind, one warranty at a time.

The National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), a HomeServe company, offers affordable protection for homeowners that covers the cost to repair or replace broken, leaking or clogged external water lines, sewer lines and in-home plumbing and drainage lines.

These repair plans protect a homeowners budget, providing peace of mind.



Service Line Warranty Plan Coverage Highlights

- USP handles all aspects of the program and it is offered at **no cost to the city**.
- Generous warranty coverage with most repairs completed within 24 hours.
- Warranty covers failures due to normal wear and tear, including age, ground shifting, fluctuating temperatures, tree root invasion and frozen lines. Participation is voluntary and warranties can be cancelled at any time.
- No service fees, deductibles, permit fees, or lifetime or annual limits.
- Around-the-clock claims hotline, including weekends and holidays.
- Use of only licensed, local contractors ensures repairs are made to local code.
- Residents and city officials give the program positive reviews.

[READY TO GET STARTED?](#)

Service Line Warranty Plans



Water Line Warranty

The Water Line Warranty covers the buried, outside water line that runs from the point of the utility connection to the foundation of the home. This warranty provides generous coverage for each water line repair plus an allowance for public sidewalk cutting.



Sewer Line Warranty

The Sewer Line Warranty covers the buried, outside sewer line that runs from the foundation of the home to the main line. This warranty provides generous coverage for each sewer line repair, including clogged lines, plus an additional allowance for public street cutting.



In-Home Plumbing and Drainage

The In-Home Plumbing and Drainage Warranty covers interior water supply lines, sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry, including lines that may be embedded under the slab or basement floor.

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PARK EVENTS

Date	Time	Park	Event Description	Organization
04.13.19	10am-4pm	Portacool Park	Family Date Event	Pilgrim's Pride
04.20.19	12pm-2pm	Portacool Park	Easter Egg Hunt/Block Party	First Baptist Church
04.27.19	3pm-8pm	Portacool Park	Kid's Event	Iglesia Bautista el Olam



March 28, 2019

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002-5231
P.O. Box 2628
Houston, TX 77252-2628

Mayor and City Council
City of Center
Center, Texas

Re: Notice of CenterPoint Energy's 2019 GRIP Filing for the Beaumont/East Texas Division

Dear Madam or Sir:

This correspondence notifies the City of Center (the "City") that CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"), has filed tariffs and supporting documents with the Railroad Commission of Texas (the "Commission") consistent with Section 7.7101 of the Commission's Gas Services Division Rules and Section 104.301 of the Texas Utilities Code to establish the annual gas reliability infrastructure program ("GRIP") interim rate adjustment (the "IRA") for the customers located in the Company's Beaumont/East Texas Division, which includes the City. Because the City has ceded its original jurisdiction over CenterPoint's gas utility rates to the Commission pursuant to Section 103.003(a) of the Texas Utilities Code, the Commission will establish the applicable IRA and the City does not need to take any action.

CenterPoint consistently supplies its customers in the Beaumont/East Texas Division with safe and dependable natural gas service by prudently investing in additions and upgrades to its delivery system. The Company will continue to prudently invest in its infrastructure in order to improve its natural gas service to its customers and to anticipate and meet their needs under all operating conditions. The GRIP program enables a gas utility such as CenterPoint to begin recovery of its incremental capital investment in the system, subject to a prudence review in its next rate case. This reduces regulatory lag and incentivizes needed investment.

Pursuant to applicable law, the proposed IRA will become effective on May 27, 2019, unless the Commission acts to suspend that date for a period of up to forty-five (45) days. The IRA approved by the Commission will be applied to the current monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual IRA for the Beaumont/East Texas Division; or (2) the issuance of a final order in a formal rate-setting proceeding for the Beaumont/East Texas Division.

As detailed in the attached schedules and supporting material, the Company invested \$35,687,274 in its Beaumont/East Texas Division in calendar year 2018, and the applicable IRA is:

Rate Schedule	Current Customer Charge	Proposed 2019 Interim Rate Adjustment⁵	Adjusted Charge	Increase Per Bill
R-2091-GRIP 2019 Residential	\$22.45 per customer per month	\$1.56 per customer per month	\$24.01 per customer per month	\$1.56 per customer per month
GSS-2091-GRIP 2019 General Service Small	\$34.06 per customer per month	\$2.50 per customer per month	\$36.56 per customer per month	\$2.50 per customer per month
GSLV-622-GRIP 2019 General Service Large Volume	\$117.45 per customer per month	\$15.45 per customer per month	\$132.90 per customer per month	\$15.45 per customer per month

Along with and in support of the proposed IRA, CenterPoint includes a copy of the GRIP filing made with the Commission which includes the following:

- (a) An earnings monitoring report showing the Company's earnings for the Beaumont/East Texas Division during the 2018 calendar year (under the "Earnings Monitoring Report" section of the enclosed copy of the filing).
- (b) An Interim Rate Adjustment Application containing accounting schedules and project reports for the GRIP Adjustment Period including a description of (i) the projects undertaken during the GRIP Adjustment Period (ii) the investment to provide utility service in the Beaumont/East Texas Division, which were both completed and placed in service during the GRIP Adjustment Period, (iii) the Company's prior utility investments in the Beaumont/East Texas Division that were either retired or abandoned during the GRIP Adjustment Period, and (iv) the cost, need and customers benefited by those investments and retirements located in IRAs 12, 13, 14 and 15 which are voluminous and are being provided in electronic format only on CD.
- (c) The Company's calculations of the GRIP Adjustment amount to go into effect on the later of the Planned Effective Date or the end of any suspension period imposed (under the "Interim Rate Adjustment Application" section of the enclosed copy of the filing). The Company has calculated the GRIP Adjustment

⁵ On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "TCJA") was signed into law. The TCJA reduced the federal corporate income tax rate from 35% to 21%. The Company has calculated the GRIP Adjustment using the 35% federal corporate income tax rate approved in GUD No. 10182. The Company has also calculated and is seeking approval of the GRIP Adjustment using the 21% federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017. The Proposed 2019 Interim Rate Adjustment in the table above has been calculated using the reduced corporate income tax rate of 21%.

using the 35% federal corporate income tax rate approved in GUD No. 10182. The Company has also calculated and is seeking approval of the GRIP Adjustment using the 21% federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017.

(d) Affidavits by Kristie Colvin, Brian K. Gower and Tal R. Centers, Jr. (under the "Affidavits" section of the enclosed copy of the filing).

- Ms. Colvin's affidavit verifies (i) that the Beaumont/East Texas Division's books and records are kept in accordance with the rules of the Commission and (ii) that the reports enclosed accurately reflect the Beaumont/East Texas Division's books and records related to the information in those reports.
- Mr. Gower's affidavit verifies the notice of the GRIP filing through customer bill inserts.
- Mr. Centers' affidavit concerns the reimbursement of relocation expenses.

Notice of the Company's GRIP filing will be provided to affected customers in the Beaumont/East Texas Division by bill insert or by separate mailing within 45 days after it is filed with the Commission in accordance with the applicable law. A copy of the customer notice is attached for your reference.

In some instances, the Company has added columns and changed formulas in the IRA forms in order to present accurate information. A list of the changes is being provided.

Please do not hesitate to contact us with any questions you may have regarding this filing.

Sincerely,



Keith L. Wall
Director of Regulatory Affairs

Attachments

cc: Mr. Tal Centers
Mr. Sam Chang
Ms. Gracy Rodriguez

DELIVERED TO:

_____, _____ of
NAME OFFICE (Mayor, City Secretary, etc.)

the City of Center on this 28th day of March 2019.

Bailiana Boyd
SIGNATURE

List of Changes to IRA Forms

Item	Changes	Tabs Affected
1	Adjustments columns have been added	IRA-7, IRA-10, IRA-16, IRA-17, IRA-18, IRA-19
2	The allocation factor has been hardcoded to reflect the current year's allocation factor instead of linking to the prior year's allocation factor	IRA-10
3	Changed the Allocation Factor column to link to IRA-10 instead of IRA-9	IRA-11
4	Changed the formulas for the columns to take the differences between IRA-10 and IRA-9	IRA-11