

**CITY OF HOLLAND
CALLED CITY COUNCIL MEETING**

Kuhlmann Center – 107 West Travis

Monday, February 21, 2005

6:30 PM

Minutes

I Called Council Meeting of the City Council was called to order on Monday, February 21, 2005 @ 6:30 PM in the Kuhlmann Civic Center in the City of Holland, Texas by Mayor Curt Murray. All council members were present.

II NEW BUSINESS

- A. Consider/Act on contract with Leo Wood & Associates relating to Home Grant – TDHCA Contract # 1000113 – Leo Wood and James Conquest were present. City Secretary reported that Mr. Conquest had sent the letter format to be sent to TDHCA and that the content of the letter suggested that due to the City of Holland's fault in some way, that this was the reason we were requesting an extension of the contract. TDHCA was contacted to verify what was needed to actually be stated in the letter since the one Conquest sent did not reflect the situation. Valerie Gonzales stated that TDHCA would not give us an extension of the contract, because of the current status of completion and length of time that has passed since the contract was signed. She stated that the project should be more than half done, that 4 houses should be completed. Ms. Tracy told her that our Grant Consultant – Leo Woods and Associates had told us that the hold up was lead base paint testing and abatement and she said that the testing was not necessary on the houses to be torn down, but only on the rehabbed homes and that this information is on the website and should have been known by the grant consultant. TDHCA asked why other steps were not underway, and Ms. Tracy told her that James Conquest had said that testing must be completed before other steps could be taken, and was told by the State that this was not true. Issues regarding the replacement of the 8th recipient of home grant, and the fact that the City Staff should have taken given by the State for the. Leo Wood stated that he knew there had been delays, but that James had talked with the bank about working this out. Ms. Tracy told Mr. Woods that there is an impasse. The Bank will not budge on this request due to the slow pace of executing the contract. The State will not give us an extension based on lack of performance. Leo Woods says he has never been turned down for an extension if project is moving in an orderly fashion. He was reminded that the State had said that we should be 60 % completed. So why should they grant us an extension since we are so far behind. Mae asked where are the originals of the files and that the wrong photos are attached to the wrong properties. Leo stated that he did not want an extension, that James had a "right hand lady that was helping him" and he thought that it could be completed by August 31, 2005. Leo was asked since the bank would not provide the line of credit would he provide the \$100,000.00 interim money, and he responded no. The council agreed that if anything else went wrong that the city would end up being liable. Mae pointed out that Conquest had provided several revised schedules, and each time failing to meet the schedule for some reason. Leo said that he would work closely with James to make this work, and was Leo was asked why he had not done so in the past, as he has been told numerous times that there seemed to be problems maintaining any schedule. Mayor stated that city could not afford to default even if there was a line of credit since it has no

money, much less buy a home or two as had happened in another town with a recent grant. Mr Wood was asked why they did not know about the lead paint issue. Conquest said that it was optional and Woods asked that Conquest be allowed to speak. He was told that the contract was with Woods and Associates and not with Conquest. Woods was asked what home grants they have completed and he said Jarrell, Bertram. He was questioned further about Bertram, why it had taken 3 years and 3 extensions. Leo said that he and if they had ever been terminated from a grant. Woods said that we may not need line of credit since some contractors may ask for only one draw and that he does not think we need an extension and that he has 40 years of experience and he trusts that Conquest will complete the grant in time as he will help him finish it. The Mayor told Leo not to take it personal but that it would be irresponsible to take this gamble. City Secretary asked how Leo could ask the City to deviate from what the State requires. Mae asked Mr. Wood what money Leo would expect if he were terminated and Wood said he would walk away clean with nothing owed and he hoped to continue work on other grant projects with the City. Mae Smith motioned to terminate Leo Woods and Associates relating to Home Grant Consultant Contract # 1000113, with cause. Teddy Gaines seconded the motion. All were in favor, and motion carried. Mr. Woods thanked the Mayor and Council and said that the City would be given all other grant records by next week and he and Mr. Conquest left the meeting.

- B. Consider/Act on the various Grants' financial impact and current financial situation of the City of Holland. Mayor Curt Murray discussed the fact that the Grant Project had already been approved when he came into office and due to financial worries, audits were done and when the financial reports were made that the City was not financially able to pay any part of the \$40,000 match required by this Home Grant. Mae said that other cities get actual money from large companies and she would work to try to reach these companies and see if she can get funds and hoped that others on the council would try to help as well. There were letters sent out last winter and a donation from Time Warner Cable in the amount of \$500 was put in the Grant Fund Donation Account at Vintage to date. Peggy will continue talks with TDHCA to see how they will advise and help, and also advise the State that Leo Woods had been terminated for cause and to delete his access to contract database. It was discussed that efforts to get contributions for match funds would be done before next council meeting and determine costs for service and donated equipment, interest on line of credit. Curt advised that council needs to be ready to answer how we will pay for the expenses over and above the grant money at the next meeting when the decision is made to continue the grant or return the grant funds. Terri Crum motioned to table the financial impact and try to come up with the money by the next meeting.
- C. Consider/Act on authorizing bids/and or hiring new Home Grant administrator. Mae Smith motioned to table this item.
- D. Mae Smith motioned to adjourn meeting, Terri Crum seconded All were in favor and meeting adjourned at 7:54 PM.

3. Adjournment

I attest that these are the minutes of the called city council meeting held on Febraury 21, 2005 at the Kuhlmann Center in Holland, Texas.



Peggy Tracy, City Secretary