

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
February 14, 2012

The Farmersville City Council met in a regularly called session on February 14, 2012 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Interim City Manager Ben White, Police Chief Mike Sullivan, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin, and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present. Mayor Helmberger welcomed all guests and visitors.

Gene Sera, residing at 2707 North View Drive, McKinney, Texas, came before the Council announcing his candidacy for Collin County Court at Law 2 Judge.

Mayor Helmberger announced that the Historical Society will be having their annual banquet on February 25th and the Chamber of Commerce banquet will be held on March 24th.

CONSENT AGENDA

Mayor Helmberger requested Item G – Municipal Court Report be pulled for discussion.

Paul Kelly requested Item D – Code Enforcement/Animal Control Report be pulled for discussion.

Jim Foy requested Item A – City Council Minutes and Item B – City Financial Reports be pulled for discussion.

Russell Chandler motioned to approve Items C, E, F, H, I, and J. Jim Foy seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item A – Jim Foy stated a second motion of an amended vote regarding the City Manager issue on the December 19, 2011 minutes was not reflected. Jim Foy motioned to approve the minutes with the change made to December 19, 2011 minutes. Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item B – Jim Foy asked where the Equipment Replacement Fund was reflected on the monthly budget statement with Daphne Hamlin stating it is a separate fund that can be included in future financial reports. Billy Long motioned to approve the Financial Reports as presented with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item D – Paul Kelly questioned how many days would a brush pile be left at the curb before the citizen is cited. Police Chief Sullivan came to state he will inquire with the Code Enforcement Officer and report this information to the Council. Mr. Kelly asked for the normal procedure. Chief Sullivan stated all Code Enforcement issues are complaint generated. Mr. Kelly informed Chief Sullivan of a fallen fence on Sycamore behind the Veterinarian's Office which has been down for a number of months. Chief Sullivan stated he will investigate this issue. Paul Kelly motioned to approve the Code Enforcement/Animal Control Report as presented with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item G – Mayor Helmberger appreciated the graph depicting the status of the Court and stated that it was previously discussed to include in the operational plan to work warrants in house. Police Chief Mike Sullivan stated he is working with Christi Dowdy, Municipal Court Clerk, to have a current warrant list. The Police Department will incrementally begin working warrants with the top ten and continue working the warrant list from there. Most warrants are local. Paul Kelly motioned to approve the Municipal Court Report as presented with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

INFORMATIONAL ITEMS

All Informational Items were presented to the Council. Council did not request further information or clarification regarding Informational Items.

READING OF ORDINANCES – SECOND READING: CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0214-001 REGARDING AMENDING THE FISCAL YEAR BUDGET FOR 2011-2012 FOR PROJECT ACCOUNTING AND TIME ENTRY SOFTWARE

The City Council passed this ordinance on the first reading at the last City Council meeting. Paul Kelly motioned to approve Ordinance # O-2012-0214-001 with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

READING OF ORDINANCES – FIRST READING OF ORDINANCE # O-2012-0228-001 REGARDING AMENDING THE FISCAL YEAR BUDGET FOR 2011-2012 FOR PROJECT ACCOUNTING AND TIME ENTRY SOFTWARE

Interim City Manager Ben White stated the City received a refund from TML for overpaid Worker's Compensation claims. We have seen a need to improve coding procedures and assist with the labor accounting. This software will go a long way to help with the grants the City attains. The time sheets will also be coded to be directed straight to the project time was spent on allowing for greater accuracy and a time saver. Billy Long stated this program will definitely be an asset to the City. Jim Foy stated the cost was reasonable for the modules. Paul Kelly motioned to approve the first reading

of Ordinance # O-2012-0228-001 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER AND ACT UPON RESOLUTION # R-2012-0214-001 TO CALL THE ELECTION FOR MAYOR AND TWO COUNCIL PLACES

Paul Kelly motioned to approve Resolution # R-2012-0214-001 to call the Election for Mayor and two Council places with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

RECEIVE RECOMMENDATION FRO THE BOND COMMITTEE TO CONSIDER ISSUING BONDS. CONSIDER ALL MATTERS INCIDENT AND RELATED TO ORDERING AND HOLDING A BOND ELECTION, INCLUDING THE ADOPTION OF RESOLUTION # R-2012-0214-002 TO CALL THE SPECIAL ELECTION FOR A BOND ELECTION

Interim City Manager Ben White presented the projects that were considered by the Bond Committee along with two additions: an overlay project on Orange Street from Highway 380 to Old Josephine Road and an overlay project on County Road 557 from Highway 380 to Highway 78. The majority of these two projects will be County funded, but the City will provide some funding as both sections are partially within the City Limits of Farmersville. The Bond Committee approved including the street sign project equaling \$95,000 and an automated water meter reading system equaling \$520,000. All the projects and process of the bond were well studied and Mr. White extended his gratitude to the Bond Committee for their efforts.

Wayne May, Chairman of the Bond Committee, came before the Council stating 9 of the 10 members carried out their duty to study information about bonds, receive and study the projects presented, and reviewed the best course of action for the City. The Bond Committee therefore recommends to the Council the Bond Committee's vote to attain a General Obligation Bond by holding a bond election by the citizens of Farmersville. The cost of the bond is \$5,975,000 with 60% of the total will be used for streets, 22% for water improvement projects and 18% will be used for waste water improvement projects.

Paul Kelly appreciated the hard work afforded by the Bond Committee. Mr. Kelly questioned Sid Nelson being on the list of projects. Wayne May stated the Committee had the same question. Sid Nelson is in very poor condition, but the Committee felt a complete renovation was over extending versus placing an overlay and making improvements to Hamilton Street. Hamilton Street is used as a main North/South passage into the City and it is in need of reconstruction to include drainage and sidewalks.

Wayne May indicated that of the citizenry queried about the bond, he did not receive any negative feedback. The only negative comments received, one or two, were from those on a fixed income. The cost will equal to \$50 per year per \$1,000,000 of bond on a \$100,000 home.

Jim Foy stated that the water and sewer rates could be increased to compensate for the water and sewer projects only and have the taxes pay for the streets. Mr. May stated that all the bonds will not be sold in the first year. The tax increase will be gradual over the next 2-3 years. Mr. White indicated it will take several months to have the engineering complete before actual construction can begin. Paul Kelly questioned the project on Bob Tedford Drive with Interim City Manager Ben White stating a bottleneck currently exists and the \$83,000 project will alleviate problems for the future with growth especially since the TIRZ District will be encouraging growth in that area.

Jim Foy stated that on the consultant's report that design and engineering costs were not included. Mr. White stated he did not have that understanding, but knew that a 15% contingency was built into each project. If engineering costs become a factor, the last projects on the list will suffer so that engineering costs will be covered. Also Mr. White indicated that the bond will not be specific to a street project, only as street improvements. Paul Kelly suggested using part of the budgeted \$50,000 in the Street Department for engineering costs; however Mayor Helmberger thwarted that idea by stating those funds are used for ongoing maintenance. Mr. White stated the best approach would be to go until all funds are exhausted.

Jim Foy also indicated the recalling of the choices available for paying the bonds by using ad valorem taxes and water and sewer rates. Mayor Helmberger stated that the Council recently adopted a water and sewer rate study which included a rate increase over a 5 step plan. Two of the increases have already been implemented so that the utilities will pay for themselves.

Nick Bulaich, representative for FirstSouthwest, stated the water and sewer rates can be used to pay for the water and sewer infrastructure improvements. The rates would be increased on a fixed cost, no matter how many connections are on the system. Figures were concluded that if choosing to use the water and sewer rates as a payment mechanism, each citizen would have an additional increase of approximately \$15 per month which does not include the other rate increases. If the Council chose to pay back the bonds all through ad valorem taxes, it would mean a 28¢ tax rate increase. Council concurred to decide the actual dissemination of costs at a later time, but the Resolution must be concluded at this meeting in order to hold an election on May 12. Mayor Helmberger requested to have the term "storm water" struck from Proposition 2 since these issues will be resolved with the water and sewer improvements.

Paul Kelly motioned to approve Resolution # R-2012-0214-002 with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE APPROVING AND AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO

With the Council's decision to act upon a General Obligation Bond, this item became moot.

RECEIVE, APPROVE OR DISAPPROVE AUDIT REPORT FROM RUTHERFORD, TAYLOR AND COMPANY FOR FISCAL YEAR 2010-2011

Robert Lake, CPA for Rutherford, Taylor and Company, presented a brief audit report for the City Council. The report included an Independent Auditor's Report stating that the audit was in accordance with auditing standards contained in Government Auditing Standards. Mr. Lake stated that the audit did not reflect any internal nor compliance issues. The overall standing of the City was very good. The assets remained constant and the depreciation is higher than the debt. Cash investments showed good liquidity with no long term debt showing. Mr. Lake indicated the software spoken of earlier in this meeting will help track time used for particularly for projects. Cash reconciliations have had great improvement with less than \$2,000 difference for the year. The Finance Director has made great strides with the monthly reconciliations. Another positive during stated by Mr. Lake was that during the audit, there was better communication to get things done and this will only improve during the next year. Mr. Lake will be working closely with our Finance Director to achieve an exact method for the monthly reconciliations. The Chart of Accounts will be changed and cleaned up and will assist with eliminating coding errors.

Interim City Manager Ben White stated he will have an action item on the next agenda regarding a plan of action regarding recommendations from the auditor. Paul Kelly motioned to approve the audit as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER AND ACT UPON A RESOLUTION # R-2012-0214-003 REGARDING SUSPENDING THE MARCH 6, 2012 WHICH ATMOS CITIES STEERING COMMITTEE REQUESTED FOR A RATE CHANGE TO PERMIT THE CITY AND ATMOS CITIES STEERING COMMITTEE TIME TO STUDY THE RATE INCREASE REQUEST AND ESTABLISH REASONABLE RATES TO BE PRESENTED

Jeanette Moser, representative for Atmos Public Affairs, came before the Council and explained that on January 31, 2012 Atmos filed a rate increase. Atmos Cities Steering Committee represents cities and they have requested a suspension of the effective date and asked for an additional 90 days to study the rate increase and establish a reasonable rate. This date would push the rate increase request from the Railroad Commission to June 4, 2012. Ms. Moser recommended the City follow the recommendation of the coalition. Jim Foy motioned to approve Resolution # R-2012-0214-003 with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON AWARDING THE CONTRACT TO PWR CONCRETE FOR THE TEXAS CAPITAL FUND SIDEWALK PROJECT

Jim Shankles, representative for Daniel and Brown, Inc., came before the Council stating that PWR Concrete had the lowest bid for the Texas Capital Fund Sidewalk Project. Eddy Daniel, City Engineer, had expressed concerns with the bid

and investigated the previous projects this company has performed. Eddy Daniel believes this company can do the job and fulfill the requirements of the grant in a timely manner. PWR Concrete has two contracts with the City of McKinney and has been in business for 6 years. Interim City Manager Ben White stated there was no indication PWR Concrete the requirements of the job could not be fulfilled. This particular job will be quick to work on and there are no reasons not to offer the bid to PWR Concrete. Paul Kelly asked about the work scope with the reply being the complete job including all ADA compliant ramps. Russell Chandler motioned to approve awarding the bid to PWR Concrete with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

CONSIDER, DISCUSS AND ACT UPON IMPLEMENTATION OF CORPORATE CREDIT CARDS FOR CITY RELATED PURCHASES AND RELATED RESOLUTION

Mayor Helmberger requested this item be placed on a subsequent agenda.

CONSIDER, DISCUSS AND ACT UPON THE WATER MANAGEMENT PLAN

Interim City Manager Ben White had previously submitted the Water Management Plan to the Council for review. Mr. White indicated all the data is accurate in accordance with our Plan. A Resolution will be put in place to support of the Plan which will be used as a foot print. Landscaping and drought contingencies will be included with the Resolution to complete the Water Management Plan. Mr. Foy was asked to review the closure of the Splash Pad as indicated in the Plan. Stage 2 indicates closing the Splash Pad for two days during a week. Stage 3 will close the Splash Pad for three days during a week and Stage 4 will be completely closed. Mayor Helmberger stated a new development must have a Landscaping Plan, but if we are in Stage 4 the Developer will not be required to install he landscaping or irrigation. Funds will be placed in an escrow account until a later time when conditions allow the construction of the landscaping and irrigation system.

Mr. White requested the Council to allow any changes be addressed and brought back in March with a full packet of ordinances in accordance with the Water Management Plan. Council concurred. No further action taken on this item.

CONSIDER, DISCUSS AND ACT UPON INTERCONNECT CONTRACTS FOR WATER SERVICE WITH CADDO BASIN SUD, COPEVILLE WATER SUD AND NORTH FARMERSVILLE WSC

Interim City Manager Ben White began this item with information of the City selling wholesale water to other water districts. The City of Farmersville pays for water through North Texas Municipal Water District on a take-or-pay program. With the wholesale water districts, the City of Farmersville is able to keep a standard amount of water flowing into our system and we do not have to pay overage costs. The wholesale districts pay the City an additional cost to cover pumping costs. Mr. White has increased the rates charged to the districts to cover costs to 27% which is a reasonable rate. A penalty has been added to the revised contract so that wholesalers do not drain our reservoirs. A clause needs to be added to reduce water in case of an emergency

and include restrictions. Each entity should have a Drought Contingency Plan which Mr. White would like to have reviewed by the City. Mr. White requested the Council to authorize the ability to negotiate and execute contracts with these entities.

Pansy Hundley questioned why the City of Farmersville supplies water to these other entities. Mr. White and Mayor Helmberger answered regarding each entity, North Farmersville Water does not have the means to attain their own water source and Copeville Water uses our interconnection as a back-up source. Caddo Basin supplements their water supply through our interconnection.

Mr. White would like to have these agreements completed and in place by March 1. Paul Kelly motioned to move forward and authorize Interim City Manager Ben White to negotiate and execute the contracts with our wholesale water suppliers with a stated rate and add the two revisions per Mr. White. Billy Long seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Paul Kelly yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

UPDATE ON THE REGIONAL WASTEWATER TREATMENT PLAN / LAKEHAVEN MUD / MUD FORMATION / MEMORANDUM OF UNDERSTANDING

Interim City Manager Ben White informed the Council a recent meeting with Kyle Kruppa has indicated the City and County have met with a solution regarding the impasse with Texas Commission on Environmental Quality (TCEQ) regarding police and fire requirements for the 1600 homes subdivision. Collin County did not want to take responsibility for fire and police. After the recent meeting, Mr. Kruppa will be working with the City on a high level Memorandum of Understanding to allow us to move forward. The Developer has another meeting with TCEQ on March 5 and the City would like to support Mr. Kruppa by producing another document and have it presented to the City Council on February 28. By supporting Lakehaven MUD, Mr. Kruppa will work closely with the City of Farmersville regarding the Regional Wastewater Treatment Plant which will be good for Farmersville.

Mr. Kruppa has agreed to incorporate the development into the Farmersville extra territorial jurisdiction. Mr. White indicated the land for the Wastewater Treatment Plant will be dedicated in advance. City Attorney Alan Lathrom suggested the area may in Garland's ETJ due to the power plant. Garland has a 5 mile ETJ area of all their owned property. Mr. Lathrom also indicated that a previous Development Agreement allowed the payment of all attorney fees to be paid by the MUD.

Mr. White stated he would like to move forward and work with Kyle Kruppa and work out a Development Agreement in the near future.

UPDATE ON THE TAX INCREMENT REINVESTMENT ZONE (TIRZ) AND RECEIVE RECOMMENDATIONS FOR THREE TIRZ BOARD MEMBERS FROM THE CITY OF FARMERSVILLE

Interim City Manager Ben White informed the Council that the Collin County Commissioner's Court will be meeting on the Farmersville TIRZ February 20, 2012. Three citizens have accepted the position as being TIRZ Board members to represent Farmersville: Robbie Tedford, Stefanie Hurst and Joe Helmberger.

From all indications, the County seems positive towards Farmersville's creation of the TIRZ. This item will be on the February 28th agenda for an update.

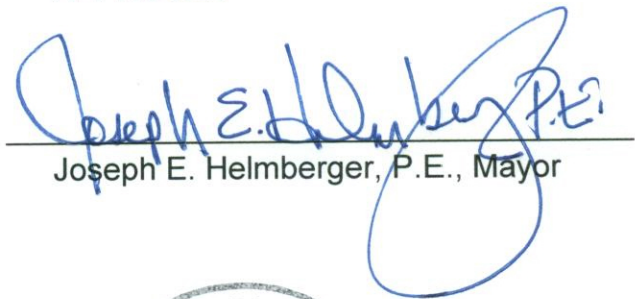
REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

Paul Kelly complimented Ben White for his organization and getting things done. Mr. Kelly requested the Council discuss Mr. White's position; Mayor Helmberger announced this topic will be discussed on the March meeting. Mr. White received further accolades for a job well done.

ADJOURNMENT

Council adjourned at 7:48pm.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

