

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
June 26, 2012

The Farmersville City Council met in a regularly called session on June 26, 2012 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Billy Long, Russell Chandler and Jim Foy. Staff members present were City Manager Ben White, Police Chief Mike Sullivan, Fire Chief Kim Morris, Finance Director Daphne Hamlin, and City Secretary Edie Sims.

Item I) 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.

Mayor Helmberger introduced Tom Waitschies, Pastor of Farmersville United Methodist Church, who gave a prayer to open the meeting.

Mayor Helmberger invited everyone to attend the "Sparks of Freedom" fireworks display at Southlake Park on July 4th. This event is being sponsored by the Farmersville Fire Department.

Item II – A) SECOND READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0626-001 REGARDING THE AMENDMENT TO THE LANDSCAPING AND IRRIGATION REGULATIONS AND ADOPTING ENFORCEMENT FOR THE WATER MANAGEMENT PLAN

Mayor Helmberger announced that the Council approved the first reading of the Ordinance at the June 12th Council Meeting. Jim Foy motioned to approve the second reading of this Ordinance with Pansy Hundley seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item II – B) SECOND READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0626-002 REGARDING RESCINDING AND REPEALING ORDINANCE # O-2012-0125-001 REGARDING THE DUTIES AND OFFICE OF THE MUNICIPAL COURT JUDGE

Mayor Helmberger announced that the Council approved the first reading of the Ordinance at the June 12th Council Meeting. Billy Long motioned to approve the second reading of this Ordinance with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item II – C) SECOND READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0626-003 REGARDING THE REMOVAL OF STOP SIGNS ON FARMERSVILLE PARKWAY AT HAMILTON STREET AND JOHNSON STREET

Mayor Helmberger announced that the Council approved the first reading of the Ordinance at the June 12th Council Meeting. Russell Chandler motioned to approve the second reading of this Ordinance with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval. City Manager Ben White indicated that descriptive signs for crosswalks are being ordered and will remove the stop signs once the crosswalk signs have been installed.

Item II – D) SECOND READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0626-004 REGARDING RESCINDING AND REPEALING ORDINANCE # O-2009-29 REGARDING THE CREDIT CARD PROCESSING FEE

Mayor Helmberger announced that the Council approved the first reading of the Ordinance at the June 12th Council Meeting. Billy Long motioned to approve the second reading of this Ordinance with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item III – A) CONSIDER, DISCUSS AND ACT UPON ACCEPTING DOUG DANN'S RESIGNATION FROM THE PLANNING AND ZONING COMMISSION

Mayor Helmberger stated that Doug Dann's resignation is attached in the Council packet. Russell Chandler motioned to approve Mr. Dann's resignation with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item III – B) CONSIDER, DISCUSS AND ACT UPON AN APPOINTMENT TO THE PLANNING AND ZONING COMMISSION

Mayor Helmberger announced that he spoke with Mark Vincent who would serve in this capacity. Pansy Hundley informed the Council that she had been speaking with Bryce Thompson who indicated an interest in serving. Mr. Thompson was to come to City Hall and fill out a Board Application form, but has not at the time of Council Meeting. Mayor Helmberger recommended the Council wait until the next Council meeting

Item IV – A) BUDGET WORKSHOP FOR FISCAL YEAR 2011-2012 AND FISCAL YEAR 2012-2013

City Manager Ben White and Finance Director Daphne Hamlin presented to the Council a proposed amendment for Fiscal Year Budget 2011-2012. In this budget session, Mr. White presented the overall budget and not a line-item-by-line-item. Mr. White indicated this is the first of a series of budget workshops to help plan for next year's budget.

Mr. White reviewed the Summary of Cash Balances and directed the Council to the Restricted and Unrestricted Funds. Mr. White also reviewed each individual fund including the Budget Reserve Fund which is set by the City Council by Resolution which is a 90 day cash reserve. We expect to receive our bond rating from Standard and Poors by July 9th, a negative rating not being foreseen at this time. We currently have a 90 day reserve in the Water and Wastewater Fund along with the Capital Operating Fund which is available for pumps, motors or other unforeseen expenditures. The Electric Fund also has a 90 day reserve for operating and capital. Mr. Foy asked if our insurance coverage will cover catastrophic events including streets. Daphne Hamlin stated TML Insurance does cover catastrophic events, however they are situational. Further research will be done to find the specifics the insurance will cover, more particularly streets and bridges. The TIRZ Fund will not see any income until January or February 2013.

Next, Mr. White discussed the High Level Items for this upcoming budget. Fund Summaries have been extended to show a 5 year budget history which include revenue and expenditure estimates for the current year's budget. Personnel health insurance has had an increase of 15% however the TMRS rate had a decrease of 2.77% due to good investments by Texas Municipal Retirement System. Mr. White has proposed to increase the Flex Spending for the insurance from \$1400 back to the original \$1800.

Mr. White has proposed a 2.1% cost of living increase and a 3.9% increase to be determined by each Department Head based on merit and job performance totaling a potential 6% increase for employees. The Police Department and Public Works has a slightly higher increase due to payroll adjustments to make the positions more competitive.

The Marketing Committee has previously been funded by the 4A Economic Development Corporation, the 4B Community Development Corporation and the Chamber of Commerce. With 4A's accounting being more complex, there may be concern of this Board not participating with the Marketing Committee since they are not reimbursed through the City as before. Other funding Boards have complained that the City does not fund the Marketing Committee, according to Mayor Helmberger. If the funding does not come through to continue with the Marketing Committee, the funds will be reallocated back to the appropriate boards and the Marketing Committee will be disbanded.

Mr. White indicated that a budget adjustment had to be made due to an unknown expenditure. Previously the budget was considered for 2 Sergeants in the Police Department. However, one Sergeant quit which left this position open. The Sergeant's position was not accounted for as it was not clear that the intention was to make this replacement in the future budget. The difference would be \$5,000.

Property Abatement was not in this current budget. The abatement is to cover costs such as mowing, demolition or furthering Code Enforcement's/Building & Property Standards directives. Having this funding will give more teeth for the Code Enforcement.

The IT Department has a proposed increase of \$40,013. Great strides have been made in the IT Department. We are currently having server issues that need to be replaced and enhanced. Email is sorely lacking with concerns of having stricter control from within rather than outsourcing our email.

The Equipment Transfer Fund was funded very heavily to purchase a patrol car and fire truck defibrillator. We are utilizing the funds for what we need. Mr. White stated he like the approach of having a savings as we go, however the needs outweigh the need to save. If we have the cash, we need to utilize it for the needs of the City.

Capital Equipment purchases that are budgeted for a fire truck purchase of \$248,000; fire truck defibrillators \$10,500; patrol vehicle \$51,700; and public works vehicle \$35,000. Finance Director Daphne Hamlin stated that Ben White found a great way to help with savings and fund the fire truck without additional overhead costs. Mr. White stated since the loan documents can be conjunctively tied with the GO Bond, we can save "closing costs" and have only one loan charge for both loans. The rescue truck is being paid off which will free up some extra funds to help with the purchase of the new fire truck. With using this method of grouping the two loans together, we will not need to take funds from the reserves and will thereby make the purchase of the fire truck more affordable for a 10 year note. Fire Chief Kim Morris stated he allowed for the equipment to be upgraded to Advanced Life Support standards instead of Basic Life Support.

North Texas Municipal Water District will have an increase in October which will be a pass through to our customers, an estimated \$58,884 annual cost. A new pipeline is under construction. The affect will be approximately \$0.14 increase per month per 1,000 gallons.

Daphne Hamlin has projected an increase in sales tax revenues. The additional revenues that were received in this year's budget were due to a correction made at the Comptroller's Office. Once the funds were received, \$74,000 was placed back into the General Fund. When preparing the budget figures, Ms. Hamlin stated we were grossly underfunded for Building and Property. Mr. White stated the lighting issues at the Spain Complex had to be

resolved. The budget was not funded to cover the mowing needs during this year's growing season. We have also hired a High School student and will continue this method for seasonal mowing to cut down on the mowing costs. The Railroad previously paid the City \$12,600 annually to mow the railroad right-of-ways. We will be pursuing this effort to start up again. Mr. White also indicated that we are trying to take care of the City Parks by removing safety issues. Mr. White is asking the Council to revamp this year's budget by investing in the City and allowing us to properly take care of issues as they arise.

Mr. White also informed the Council that we are investigating our water tower contracts to ensure we are attaining the correct and current market price for internet, phone, broadband users who utilize the water tower space. Also the Library is losing funds from Collin County, so the budget reflects an increase to the Library to cover the lost funds from the General Fund.

The Super Series has not been an event that has been pursued by the City in the past few years. This is a full time job working with the teams and preparing the fields for the large amount of people playing. Russell Chandler mentioned that another issue that Farmersville had was lodging for the Super Series teams.

Mr. White stated the expenditures are looking really good as we are spending less across the board in most departments.

The Electric Enterprise Fund is projected to have an income of \$856,000 during next year's budget. The electric transfers outweigh the water and wastewater transfers to the General Fund. Mr. White also spoke of the electric surcharge which will be separated from other monies of the City. The electric utility is very meaningful to our city and our ability to utilize it and take care of it is imperative. Mr. White stated he can see the importance of it graphically. The electric transfers fund 2/3 of the General Fund.

Mr. White also indicated that the Enterprise Funds are in good shape, but we are losing money in the water and wastewater funds. The Reserve Funds have been funding the water and wastewater funds for the shortfalls. The Interconnect Contracts have been completed between Copeville SUD and North Farmersville WSC. Caddo Basin will no longer be utilizing our water as a main source; therefore we will not have a contract with them. Also the water and sewer rate increases were approved by Council to be delayed until September to help our citizens. Mr. White also stated that plans are being made for the developer to pay for any upgrades to the electrical system.

Public hearings have been scheduled for all our regularly scheduled meetings. As of right now, no additional budget hearings will be required.

Daphne Hamlin reviewed the column headings of the Preliminary Budget. With this understanding of the layout presented, the Council was asked to look at the budget figures and then return to the next meeting with questions or adjustments.

Mr. White encouraged the Council since the bond has passed which is great strategic thinking. To keep this going, the Comprehensive Plan will help us to plan for our future. This will help us to guide Farmersville. Planning for the future, the Economic Development Corporation may want to hire someone to help with the planning and strategic thinking. Jim Foy recalled a few years ago that the Council was going to hire someone to handle 4A/4B and the Chamber and head up the executive office. At the time, it seemed like a good idea but there were political problems. Mr. White expressed concern that we do not allow the Comprehensive Plan to sit on a shelf and not be utilized. Mr. White suggested approving the budget at a particular level thereby allowing each department to be responsible and adjust the budget internally through a department level. As long as the budget is kept within the boundaries laid, the department head should be responsible whereby then the City Manager can manage the

City. The Council will still be in the loop of information as all budgets by department will be presented each month at the first Council meeting. This method will allow the departments to move funds internally at a lower level without requiring a budget amendment and to help make the department's more efficient. Mayor Helmberger stated it makes sense that the departments be allowed to function within the confines of the budget and the City Manager have the final say. All information is still available to the Council and the public.

Daphne Hamlin was pleased to inform the Council that the budget presented is a balanced budget that includes a 3% increase of taxes.

Jim Foy stated he would like to see additional items included in the 2012-2013 budget including funding for the Parks Department (mowing, lighting, and other maintenance. Mr. White stated these funds are expended from the General Fund's Property and Buildings line item. Mr. Foy also questioned the completion of Farmersville Parkway. Mayor Helmberger stated the City has a contract with Collin County to use matching funds through a bond. The City has also promised improvements to CR 610 to JD Russell which has not been addressed.

Item VI) REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

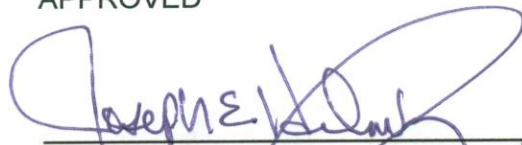
Pansy Hundley requested to discuss the Splash Pad regarding the re-circulating process.

No other requests were made.

Item VII) ADJOURNMENT

Council adjourned at 7:45pm.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

