

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
July 10, 2012

The Farmersville City Council met in a regularly called session on June 12, 2012 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Joe Helmberger, Michael Carr, Billy Long, Russell Chandler and Jim Foy. Staff members present were City Manager Ben White, Police Sergeant Brian Alford, City Attorney Alan Lathrom, 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 thanked everyone who attended the "Sparks of Freedom" fireworks display at Southlake Park on July 4th. This event was more than imagined and Mayor Helmberger extended thanks to Fire Chief Kim Morris for putting on such an event and Chief Sullivan for a job well done.

Item II) CONSENT AGENDA

Jim Foy requested Item H – Public Works Report, be pulled for discussion. Russell Chandler motioned to approve Items A, B, C, D, E, F, G, I and J as presented with Michael Carr seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item H – Mr. Foy questioned the update of the Texas Capital Fund grant project. City Manager Ben White informed the Council that the first phase of the grant has been completed with sidewalks along McKinney Street, South Johnson Street and South Washington Street directly surrounding the square. The second phase will include additional sidewalks and lighting is being considered for downtown. Mr. White had sample light poles and signage for display. The lightpoles are being proposed through the Texas Capital Fund grant as 11' high to give more clearance for parking areas, walking and utilizing a higher area to hang banners. The lighting will be more uniform and more intensity. A deflector will be added to keep sidewalks and store fronts lit. The old fixtures will be kept for spares as these are the same fixtures used on the Chaparral Trail. Diane Piwko questioned the electrical outlets and the access of utilizing existing electrical outlets. Mr. White assured the Council that existing outlets will be made available and the lightpoles have an access panel to allow easy access and utilization of electrical outlets.

Mr. Foy also asked for a water usage chart that compares last year to this year. Mr. White indicated that all cities are using more water and our usage is up, but close to where we were last year. Mr. Foy requested a year to date comparison with last year. Jim Foy motioned to approve Item H of the Consent Agenda with Billy Long seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item III) INFORMATIONAL ITEMS

Mayor Helmberger stated that the Parks Board minutes mentions the Parks Board was asked to locate any used water fountains. Mayor Helmberger stated this statement was not made in the meeting; that the Parks Board was asked to attain additional information.

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

Item IV – A) READING OF ORDINANCES – ONLY READING: CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0710-001 REGARDING A BUDGET AMENDMENT TO FISCAL YEAR BUDGET 2011-2012

Daphne Hamlin, Finance Director for the City of Farmersville, came before the Council and reviewed the budget revision as presented by Ordinance # O-2012-0710-001. The revisions include an increase in sales tax revenues from \$262,000 to \$485,179. A decrease in garbage franchise fees by \$5,000 and is incorporated in our billing system. Cable franchise fees were increased from \$10,200 to \$16,238. Revenue Rescue increased from \$18,000 to \$29,500. The City also had an increase of transfers-in from \$1,021,892 to \$1,080,320.

Under personnel, a one-time benefit adjustment has been requested in the form of incentive pay costing \$31,800.

Legal services have decreased from \$98,000 to \$80,000. Building inspections have increased from \$10,000 to \$20,000. Codification expenses have increased from \$7,000 to \$20,000. Police motor fuel has increased from \$20,500 to \$29,664. Public Works contract services have increased from \$10,000 to \$80,000. The contract services were not budgeted last year to accommodate the growth of grass and trees.

Capital Equipment purchases were increased \$6,700 for the Police Department for desks and cameras. The Fire Department was increased \$16,000 to allow for the requirements to meet ISO 3 rating.

The Water Fund revenues increased from \$895,089 to \$1,018,579. The expenses decreased from \$1,217,503 to \$1,154,821.

The Wastewater Fund revenues increased from \$443,165 to \$544,878. The expenses increased from \$543,619 to \$548,814.

The Refuse Fund revenues increased from \$401,216 to \$408,233. The expenses increased from \$401,216 to \$417,229.

The Electric Fund revenues increased from \$810,500 to \$857,018 whereas the expenses decreased from \$815,488 to \$765,908.

The Enterprise Funds, including water, wastewater and electric, were reviewed and a conservative approach was taken, especially for water and wastewater budgeting.

Jim Foy questioned where the increase of the Electric Fund was placed. Daphne Hamlin replied the funds are placed in the reserves of approximately \$91,000. The Council also questioned why the major jump for the codification. Edie Sims answered by informing that increased numbers of ordinances constitutes an increase in price.

Mayor Helmberger was concerned with the decrease in franchise fees for the garbage as a great amount of time and money was spent on these contracts more particularly to offset the costs of streets. Neither of the refuse contracts were contracted with franchise fees, per Ms. Hamlin. Mr. White indicated that the customer is being billed direct from the City to help defer some of the costs that would have been charged to the refuse companies. Per the contract, what the difference in what IESI charges us and the charge we bill to the customers was deemed our revenue which is not as high as anticipated. This is also not a "franchise fee." Mr. White stated the fees did not end up producing as originally anticipated. Ms. Hamlin stated a separate check is not received from either refuse company specifically for franchise fees. Mr. White indicated the contract called for certain rate charges and if the City did not take over the billing, we would have brought in less. Mr. White stated there is a lot of work to be done on the contract to get us back in line and IESI is a party to this without an issue. Daphne Hamlin stated she has presented the revisions as to what we think will be needed to complete the remainder of Fiscal Year 2011-2012.

Jim Foy motioned to approve Ordinance # O-2012-0710-001 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – B) ONLY READING – CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE EXECUTION AND DELIVERY OF “CITY OF FARMERSVILLE, TEXAS, PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2012,” INCLUDING THE RECEIPT OF BIDS THEREFORE AND THE ADOPTION OF AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH CONTRACTUAL OBLIGATIONS TO PURCHASE A FIRE TRUCK

City Manager Ben White came before the Council and informed them of the bond/loan used to purchase a new fire truck. This bond will cost \$17,000 for all legal fees, closing costs, etc. By combining the bonds, we are utilizing cost savings for legal fees and closing costs. Mr. Foy questioned where the payments will be made from with Daphne Hamlin explaining the payments will be from the General Fund in Debt Service. The bond is to be sold on July 24th. Billy Long motioned to approve Ordinance # O-2012-0710-002 contingent on the information being completed. Michael Carr seconded the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – C) ONLY READING – CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF “CITY OF FARMERSVILLE, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2012,” INCLUDING THE RECEIPT OF BIDS THEREFORE AND THE ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH BONDS TO PERFORM PUBLIC STREETS, SEWER AND WATER PROJECTS

City Manager Ben White stated the Ordinance presented is for the issuance of bonds for the streets water and sewer projects as presented in the Bond Election. The sale of this bond supports those projects including the Auto Meter Reading System. Jim Foy questioned how the bond will affect the tax rate with Ms. Hamlin responding \$0.06 and this amount has been included in the budget as presented to the Council. Jim Foy motioned to approve Ordinance # O-2012-0710-003 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler no and Jim Foy yes. Motion passed with full Council approval.

Item IV – D) FIRST READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0724-001 REGARDING UNREASONABLY LOUD OR DISTURBING NOISE IN THE CITY

Mayor Helmberger asked Police Sergeant Brian Alford to come before the Council to represent the Police Department on this topic. Currently, Mr. Alford stated, the City's only ordinance regarding noise is from a vehicle. The City does not have any ordinances regarding any other types of loud noises, including those coming from a structure. Billy Long questioned how the complaints will be dealt with. Mr. Alford stated the officers will respond to complaints and will advise with a warning on the first call of a noise disturbance. If the officer(s) return to the same complaint, a citation will be issued. Alan Lathrom, City Attorney, stated the ordinance presented covers more than the State Law. Mr. Foy stated concern that the time proposed for the noise disturbance per se being at 9:00 p.m. could be an issue as during the summer time it is still light at 9:00 p.m. Jim Foy, Russell Chandler and Billy Long all agreed that 10:00 p.m. was a better time. Jim Foy questioned if engine braking should be added to the ordinance, with City Attorney Alan Lathrom stating it can be added by addressing this topic more specifically. Jim Foy motioned to approve Ordinance # O-2012-0724-001 with adding the additional change

of "engine braking" and changing the times from 9:00 p.m. to 10:00 p.m. Russell Chandler seconded the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item V – A) CONSIDER, DISCUSS AND ACT UPON RESOLUTION # R-2012-0710-001 REGARDING THE POLICY FOR COMMEMORATING SERVICE TO THE CITY

City Manager Ben White came before the Council and stated the policy for commemorating service is in the best interest of the City as members of the Council leave service. The policy would allow a plant to be installed on City property. Should the Council decide to nominate a City employee, the same commemoration could be applied. This is a good way to recognize our volunteers and people that have served our City and citizens that are in good standing, meaning if Council members complete their term. The policy would be automatic. Mayor Helmberger requested the caption of the Resolution to include City employees. Jim Foy motioned to approve Resolution # R-2012-0710-001 with Billy Long seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item V – B) CONSIDER, DISCUSS AND ACT UPON RESOLUTION # R-2012-0710-002 REGARDING AN APPLICATION FOR GRANT FUNDS THROUGH THE COLLIN COUNTY OPEN SPACE PROGRAM

City Manager Ben White stated he is going aggressively toward grant funds and with the Open Space Program, the City is requesting \$300,000 total with matching funds of \$150,000 to complete the Chaparral Trail project. The plan is to have engineering and begin construction within 1 year and to have all construction completed within the next year. Mr. White stated he will be requesting \$50,000 from the 4B Community Development Corporation and the City will have to support the remainder of the matching funds. With the existing grant through Texas Parks and Wildlife, the trail can be widened to the J.W. Spain Complex as well. Billy Long motioned to approve Resolution # R-2012-0710-002 with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item V – C) DISCUSS UPON NAMING THE ALLEY BEHIND THE ONION SHED "ONION ALLEY"

Jim Foy suggested we play off our history since we were the onion capital of North Texas and Texas for years. Utilizing the Onion Shed as the key component will be nice to give a name and designation. There is no legal significance to having the alley named, but it will be a good way to recognize the area as it is heavily utilized and give a designation. Mr. Foy suggested beginning the name at College Street and going southerly to the Onion Shed then connect to South Main Street. This is a proposition only and Mr. Foy asked for a consensus of the Council, which was positive. This will be brought to the next meeting with an Ordinance for review.

Item V – D) CONSIDER, DISCUSS AND ACT UPON PLACING DEBBIE THOMAS AS AN ADDITIONAL SIGNATORY ON THE POLICE SEIZURE ACCOUNT

Per Sergeant Brian Alford, Chief Sullivan is the only signatory on the Police Seizure Account. Debbie Thomas will be an additional signatory. This request was made by Chief Sullivan to the Council. Jim Foy motioned to approve adding Debbie Thomas on the Police Seizure Account with Michael Carr seconding the motion. A poll of the Council was taken as

follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item V – E) CONSIDER, DISCUSS AND ACT UPON AN INTERLOCAL AGREEMENT WITH COLLIN COUNTY FOR DISPATCH SERVICES

Mayor Helmberger opened the topic regarding the Interlocal Agreement for dispatch services by stating that an increase of \$2,500 was noticed from last years' cost. City Manager Ben White indicated this is standard procedure and an annual event. Billy Long motioned to approve the Agreement for dispatch services with Michael Carr seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item V – F) CONSIDER, DISCUSS AND ACT UPON A REPLACEMENT ON THE PLANNING AND ZONING COMMISSION

The Council was provided one confirmed nominee who is willing to serve on the Planning and Zoning Commission, Bryce Thompson. Mark Vincent stated he would serve if no one else was found to fill the position. Billy Long motioned to appoint Bryce Thompson as the replacement on the Planning and Zoning Commission with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item VI) BUDGET WORKSHOP – DISCUSS FISCAL YEAR BUDGET 2012-2013

City Manager Ben White stated no real changes have been made to the budget since last presented. Some items have been identified and are being resolved, such as the additional Sergeant in the Police Department's budget. It was originally thought during the budget process that only one Sergeant's position was necessary.

Medical insurance went up exponentially, a total of \$20,923.20. The City will be responsible to cover the costs of the 16% rate increase proposed for 2012-2013 budget year. The contribution rate is not meeting the demand.

Animal Control was increased \$2,000 and was not budgeted at the last meeting. This increase will be for equipment to assist with the Animal Control Officer's duties.

Daphne Hamlin, Finance Director, reviewed a compensation chart and indicated a reduction of the retirement, \$30,664.90, which is accredited to Texas Municipal Retirement System for making very wise investments.

City Manager Ben White explained to the Council that the employees have dedicated themselves to their City and their jobs without a raise. Mr. White stated he would like to see the flex insurance rate return to its original \$1,800 per employee and have an incentive pay tied in with performance reviews. By doing, so the next incentive pay would come back in 2 years and not have one next year.

Daphne Hamlin explained that all budgetary items have now been presented to the Council. A shortfall of \$20,000 exists if the Council chooses not to utilize the 3% increase in taxes above the effective tax rate. Mayor Helmberger stated that if the Council decided to keep the budget as is, the additional \$20,000 could potentially come from Reserves to balance the budget. The Interest & Sinking (I&S) side will have an increase of \$0.06, regardless of the Maintenance & Operations (M&O). Ms. Hamlin explained that 3% above the effective tax rate will raise \$20,000. With the additional \$20,000 presented that was not covered in the original presentation, the Council would need to consider removing \$40,000 from Reserves to balance the budget. The current Ad Valorem taxes are \$0.64, with the effective tax rate plus 3%, the taxes will be \$0.67. Mayor Helmberger also stated the citizens of Farmersville will also see a

rate increase due to North Texas Municipal Water District and the water and sewer rate increases that are to follow in October, then another increase in April. According to the plans laid out by the Water and Sewer Rate Study, the City is on target. There will be one more increase after the one in April.

Ms. Hamlin informed the Council that all numbers regarding the Ad Valorem taxes are still estimates. The certified numbers should be submitted to us next week.

Jim Foy stated that the railroad mowing is not shown as an income. Mr. White stated he will approach the Railroad to have this agreement brought back. This could be another source of income to offset the overage. Also, \$15,000 was originally budgeted for abatement of Code Enforcement problems. Jim Foy also questioned the computer maintenance that spans all departments. Mr. White indicated that the costs are for hardware and other software needs, including licensing. Mayor Helmberger stated that the Council is taking an active role in spending where the funds need to be spent.

Ms. Hamlin pointed out that the Equipment Replacement Fund has been greatly reduced from last year. The Debt Service interest is estimated and will be adjusted accordingly.

Mr. Foy pointed out that \$45,000 in street construction is not enough to do any pothole work. This is a pittance from last year's budget. Mr. White stated that the bond will be taking care of specific streets; however he will re-evaluate some of the projects to see if other areas can be addressed. Mr. White did indicate that the Public Works Department has their hands terribly full with working on the designated bond streets. Mr. White also suggested that the County could be included by using their equipment and staff to do overlay jobs. Mr. White stated he will put together a couple of plans and return to see how far \$100,000 would go by reconfiguring the bond projects.

Mr. Foy stated several years ago Central Street was plowed up and resurfaced. This surfacing has lasted for several years and the cost was more efficient to our budget.

Mayor Helmberger stated that the Civic Center expenses does not include electric and water. Also the new rate structure has shown a drop of users of the Civic Center facility. Mr. White stated he would like to take another look at the fees and bring back to the Council at a later time to see if those fees need to be changed again.

Mr. White made known that the accounting of time has been made more accurately; therefore specifically the Public Works Department has been adjusted to show reality. It has been found that more time has been spent on Property and Building Maintenance. Mr. Foy questioned the electric fund surcharge; however Mr. White indicated we are waiting for results from McCord Electrical Engineering so that a conservative approach can be budgeted.

Mayor Helmberger stated the streets have more issues that are funds available. This was a very aggressive bond that was passed; however we still have limited personnel. We must be realistic to the personnel available and the funds. Mr. White stated he might suggest the Council consider purchasing the equipment ourselves to do crack and seal which can also be utilized on the Chaparral Trail to keep the Trail kept and free of danger to cyclists.

Jim Foy requested the Mayor and Council budget be increased from \$500 for travel to allow the Council to attend the TML Conference. This year it will be in Grapevine.

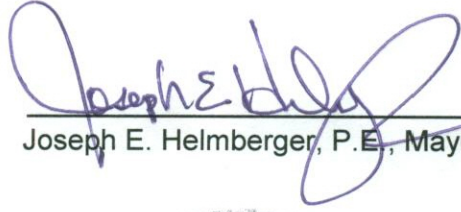
Item VII) REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

No items were requested for future agendas.

Item VIII) ADJOURNMENT

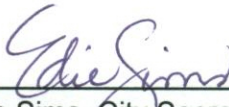
Council adjourned at 7:42pm.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST


Edie Sims, City Secretary

