

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
July 24, 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, Pansy Hundley, Michael Carr, Billy Long and Jim Foy. Russell Chandler was absent. Staff members present were City Manager Ben White, Police Sergeant Brian Alford, First Assistant Fire Chief Kevin Lisman, 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. Pastor Mike Phillips with Step of Faith Worship Center offered the invocation.

Mayor Helmberger expressed congratulations to Fire Chief Kim Morris for serving 15 years as a Volunteer Fireman for the Farmersville Fire Department.

Item II – A) PUBLIC HEARING – THE CITY OF FARMERSVILLE WILL HOLD A PUBLIC HEARING REGARDING THE TEXAS DEPARTMENT OF AGRICULTURE'S CDBG PROGRAM. CITIZENS ARE ENCOURAGED TO DISCUSS THE CITIZEN PARTICIPATION PLAN, LOCAL HOUSING AND COMMUNITY DEVELOPMENT NEEDS, AVAILABLE FUNDING, ELIGIBLE ACTIVITIES, PAST USE OF FUNDS, AND DEVELOPMENT OF CDBG APPLICATIONS

Mayor Helmberger opened the Public Hearing at 6:04pm and asked for those for the CDBG grant application. With no one coming forth, Mayor Helmberger then asked for those against the CDBG grant application. No one came forth with Mayor Helmberger closing the Public Hearing at 6:05pm.

Pansy Hundley asked if this grant was regarding housing, with the reply being used for only sewer projects. The funding will be for \$275,000 with \$41,250 matching cash funds.

Item III – A) READING OF ORDINANCES – SECOND READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0724-001 REGARDING UNREASONABLY LOUD OR DISTURBING NOISE IN THE CITY

Mayor Helmberger announced that the Council approved the first reading of the noise ordinance at the last meeting with changes to the time and include engine braking. Those changes have been made to the ordinance presented at second reading. Pansy Hundley expressed concern of noise disturbance issues that occur prior to the designated time of 10:00pm. Ms. Hundley was informed that all noise disturbances are based on complaints and will still be addressed by the Police Department.

Jim Foy motioned to approve Ordinance # O-2012-0724-001 on second reading with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item III – B) READING OF ORDINANCES – FIRST READING – CONSIDER, DISCUSS AND ACT UPON ORDINANCE # O-2012-0814-001 NAMING THE ALLEY BEHIND THE EAST SIDE OF THE SQUARE BETWEEN COLLEGE STREET AND SOUTH MAIN AS "ONION ALLEY"

Mayor Helmberger presented the first reading of Ordinance # O-2012-0814-001 to name the alley behind the east side of the square between College and South Main as "Onion Alley." Jim Foy stated the ordinance looks great and his thoughts were to take advantage of and

emphasize our history. Jim Foy motioned to approve the ordinance on first reading with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item III – C) 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

Item III – D) 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

Items III – C and III – D will be combined. Nick Bulaich, Senior Vice President of FirstSouthwest who represents the City of Farmersville regarding the bonds, came before the Council with congratulations on receiving such a low interest rate for the bidding of the fire truck and streets, sewer and water projects bond. This morning at 11:00am, bids were received for \$265,000 for the fire truck and \$1.5 million for the General Obligation bond. Due to an “A” bond rating, our bonds were given a stable outlook and plan of issuing the debt. Some things that were evaluated for the bids were our consistent property tax levels and the General Fund amounts were rating positive. Morgan Keegan & Co., Inc. won the bidding for the fire truck bid with a true interest rate of 1.839224%. Morgan Keegan & Co., Inc. also won the bidding for the General Obligation bond at 2.423230% interest. The GO bond will be a 20 year obligation and the fire truck will be a shorter term of 8 years. With the rates presented, the City will be able to lower the tax rate to the citizens 1% lower than anticipated.

With our overall history, we received the lowest interest of all the bonds in the past 4 bond cycles. Jim Foy asked about the fees associated with selling the bonds. Mr. Bulaich stated the fees include financial fees, Bond Council fee, Attorney General review fee, rating fee, and a paying agent fee. The final numbers will not be available until the closing date which is scheduled for August 23rd, but the estimated cost for the GO Bond is \$38,000 and the estimated cost for the fire truck is \$17,500. Mayor Helmberger stated these fees could be paid from the General Revenue so that the bond amounts remain the same.

Billy Long motioned to approve the ordinance regarding the bond for the fire truck as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Jim Foy motioned to approve the ordinance regarding the bond for the General Obligation Bond as presented with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – A) CONSIDER, DISCUSS AND ACT UPON A RESOLUTION TO APPLY FOR 2013-2014 RURAL COMMUNITY DEVELOPMENT BLOCK GRANT ASSISTANCE UNDER THE COMMUNITY DEVELOPMENT FUND

Cloy Richards with Grantworks came before the Council to answer any questions regarding the grant application through Community Development Block Grant. Over the past several years, the City has had over 10.9 million dollars in projects that Grantworks has participated with the City. The funds for the matching fund will not be required for another 2 years; however the application is due October 26, 2012. Billy Long motioned to approve Resolution # R-2012-0724-001 with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – B) CONSIDER, DISCUSS AND ACT UPON BIDS FOR THE CONSTRUCTION OF THE CHAPARRAL TRAIL AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH BIDDER

Eddy Daniel, City Engineer, spoke to the Council regarding the Chaparral Trail grant. The grant project was shortened from the original scope for bidding purposes. There is no problem in shortening the scope yet again. There are two opportunities for grant funding that the City will pursue to finish out the Trail. One is thru the Collin County Open Space Grant and the other is thru Texas Parks and Wildlife. The bid presented will be dropped back again to meet the funds available. The next grant will pick up where this portion stopped and continue. Mr. Daniel indicated that all signs, bollards and labor is included in the bid packet. Mayor Helmberger stated that once you leave town, there are no markers. Mr. Daniel stated it is imperative to have markers in town as well to indicate the street crossings. The bid is also including a nice trail head sign. There will be some transitioning done to the bridges, but not bridge replacement. Decomposed granite will be the chosen material to complete the trail which includes a stabilizer. There will not be edging and the cost will also include the clearing needed.

The only company that bid the project has been investigated and was found in good standing. This company does more trail work in Texas than many others. The trail will be suitable for bicycles and running but no vehicle traffic. City Manager Ben White indicated that we will have three types of hard surfaces; asphalt, concrete and decomposed granite. Eddy Daniel encouraged the Council that if the decomposed granite does not work as expected it will be a great base to come back and relay asphalt or concrete. Asphalt is the least productive and concrete has had challenges as well.

Eddy Daniel recommended awarding the bid to Cole Construction and reducing the scope to the available funds. Pansy Hundley motioned to approve Mr. Daniel's recommendation with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Council took a recess at 6:42pm.

Council reconvened from recess at 6:55pm.

Item IV – C) CONSIDER, DISCUSS AND ACT UPON A RESOLUTION DESIGNATING THE AUTHORIZED REPRESENTATIVES FOR TEXPOOL RELATIVE TO THE FARMERSVILLE ECONOMIC DEVELOPMENT CORPORATION (4A)

With having a new Board President in place for the 4A Economic Development Corporation, the Council was requested to act upon this Resolution as a matter of

housekeeping. Billy Long motioned to approve the Resolution to designate Robbie Tedford as the EDC representative on the TexPool account with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – D) CONSIDER, DISCUSS AND ACT UPON A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A HEALTH INSURANCE CONTRACT WITH TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL

City Manager Ben White presented to the Council that he has reviewed health insurance plans for employees. The Consumer Centered Pool Plans (CCPP) will allow the employees to have more responsibility over their health care, and presents a much better choice for the employees and the City. Rather than continuing with the same healthcare plan that is based on the City's group, the CCPP are centered plans as a whole throughout the State of Texas whereas the risk is much lower and spread out with a larger population within the State. The smaller population group such as ours has been causes our costs to increase and impacts the City's rates. As known by the increase in our healthcare, we have seen this very expense occur. By going with CCPP programs, we will stabilize the risk. Mr. White encourages the employees to have options. The City has set aside \$1800 per employee for flex insurance and returning it to the original amount from 2 years ago. The options are up to the employees to decide the lower versus high deductible according to the healthcare needs of the employees and/or family members. The City pays for the employee's insurance; however the employees must pay full amount for dependents. Mr. White expounded on the Health Reimbursement Accounts (HRA) versus Health Savings Accounts (HSA).

Mr. White is devising a spreadsheet to help the employees with their decisions by showing the amounts taken from their payroll to cover dependent costs and allowing the choice by the employee which will stabilize the cost of the City's health care plan. Billy Long questioned what other cities have chosen. Mr. White also indicated that Texas Municipal League has gone with this type of healthcare themselves, which is very encouraging the fact that they not only sell the product but use it as well. Jim Foy questioned if the coverage is the same, and the answer was yes. None of the actual insurance coverage will be changed, only the costs of deductibles and how much the employee pays on the front end versus the back end of insurance coverage.

Mr. White also indicated the HSA and HRA plans will help the City plan this particular budget item more effectively in years to come. The City is looking at tier plans for in the future, but for now it will be only employee and family. Jim Foy stated this was a good option. Dependent on the healthcare plans funneled down from Congress, the HSA plans could go away, but this is a good option for now. And also due to the changes in healthcare from the Federal Government, the time frame to have the final decisions to TML has moved from September to August 13th. Mr. White stated he is planning to have another meeting with the employees on August 9th. Billy Long expressed concern that all the pros and cons should be presented to the employees before having the choices made; otherwise poor choices will be the lot of the employee for a year with no recourse. Mr. White also stated that TML is working great with the employees and will give one on one instruction to help with this process.

Billy Long motioned to approve Resolution # R-2012-0724-002 to authorize the City Manager to execute a contract with TML IEBP for health insurance with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – E) CONSIDER, DISCUSS AND ACT TO CREATE A NEW TEXSTAR ACCOUNT FOR THE 2012 GO BOND

Finance Director Daphne Hamlin presented to the Council a need to have a new TexStar Account which will accommodate the funds for the 2012 General Obligation Bond. She and Mr. White have also looked at investing the funds in Certificates of Deposits. Jim Foy offered that CD's can get fixed interest rates since the dates are known when withdrawals will occur. Ms. Hamlin stated she and Mr. White are working together to have the City's money work hard for us. By doing so, both Ms. Hamlin and Mr. White are attending a Finance Course by Bob Freeman which will take care of one of our audit requirements and which also involves rules of investing. Jim Foy motioned to approve the Resolution to create a new TexStar account with Billy Long seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – F) CONSIDER, DISCUSS AND ACT UPON APPLICABLE RENEWAL AGREEMENTS AND ASSOCIATED INFORMATION REGARDING BROADBAND AND COMMUNICATION SERVICES

City Manager Ben White came before the Council stating he has been looking at the various contracts regarding broadband and communications with the City of Farmersville. After conferring with our City Attorney, it was agreed that another attorney, James Wilson, who has experience with these companies and this type of work, would work with the contracts. Mr. White expressed concerns regarding the LAN line contract with AT&T as well. Mayor Helmberger stated he is hoping the contract renewals will increase our revenues. Mr. White indicated that there will be consideration of fees per devices on our water towers based on an audit. Council concurred to move forward with the agreement reviews.

Item IV – G) CONSIDER, DISCUSS AND ACT UPON AN AGREEMENT BETWEEN THE CITY OF WYLIE AND THE CITY OF FARMERSVILLE FOR AIR BOTTLE RECHARGING FOR THE FARMERSVILLE FIRE DEPARTMENT

Mayor Helmberger stated he reviewed the contract and had concerns regarding the payment. The contract states that Farmersville will pay a "reasonable" amount, but reasonable is not defined. Kevin Lisman, First Assistant Fire Chief, indicated that this statement was included due to the potential of a natural disaster whereby FEMA could be charged for services rendered. The City of Farmersville will not be charged for this service. The reason for this agreement is due to ISO requiring the Cascade System to be certified and tested annually. Jim Foy motioned to approve the agreement as presented with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – H) COMPREHENSIVE PLAN UPDATE

Eddy Daniel, City Engineer, subcontracted Kimley Horn Engineering to assist with the Comprehensive Plan. Janet Tharp, Planner for Kimley Horn, came before the Council and gave information regarding a Community Workshop planned for August 7, 2012. Once more data has been attained, the information will be compiled and presented to the City Council at an August Council meeting. The focus of the Community Meeting is to check if the leader's ideas are consistent with the general public. Mayor Helmberger stated he would like to see the City establish mutual boundaries with other cities. City Manager Ben White stated he would like the

school district to be more involved. Eddy Daniel encouraged all that many opportunities will be given for all to express their concerns and thoughts.

Billy Long left the meeting at 7:30pm. A quorum was still present to continue the meeting.

Item V – A) BUDGET WORKSHOP – CONSIDER, DISCUSS AND ACT UPON FISCAL YEAR BUDGET 2012-2013

Daphne Hamlin, Finance Director, came before the Council and presented the ad valorem tax rate calculations. The amount proposed is due to impending water and sewer increases. To keep the level of funding in the Maintenance and Operations (M&O), the rate was dropped 4¢, where the Interest and Sinking (I&S) went up 6¢, but we are expecting that number to drop 1¢.

Mayor Helmberger was pleased and stated he wanted to keep the tax rate at the same level as last year with no increase, not even utilizing the allowable 3% increase. If any differences occur, Mayor Helmberger stated the funds will be taken from the surplus and not affect the citizens. Pansy Hundley stated she is not for a tax increase at all. Jim Foy stated good point that even with the bond, to hold the tax rate less than 1% will please the citizens. For the immediate debt requirement, an increase in taxable values will have an impact to raise the values of properties. Some development has been seen along Highway 380, but it is unclear when more development will occur. City Manager Ben White stated improving the streets will help the growth. Consensus of the Council was to move forward as is with no tax rate increase.

Mayor Helmberger recalled a request by Councilman Foy regarding the cost of street repairs and using different methods which could be funded through reserve funds. City Manager Ben White stated he is working on a comparison and will present it in the future.

Jim Foy spoke of the tax error found this year from the State, which brought the question and response that \$175,000 was only the city's share. Mr. White indicated that the budget was very conservative regarding the sales tax income; however the City is not expecting to see an additional \$175,000 in next year's budget. Mr. White spoke with the company directly that was impacted by the oversight of sales tax reporting who stated the sales are not expecting to be as high next year. All sales tax projections were based on real figures from last year's earnings. Mr. White indicated he is taking a conservative approach on all funding accounts to place the City in a good position that we can count on.

Jim Foy had previously requested increasing the City Council budget to allow for more training. Daphne Hamlin stated she will increase \$5,000 and also budgeted \$10,000 for the Parks Department. Parks expenditures are presently in the Building and Property Maintenance, but changes will be made with our auditor to set up line items as needed. The 4B Community Development Corporation is also setting aside funds to assist the Parks Board with projects.

Mayor Helmberger agreed with Daphne Hamlin that being conservative will provide the correct figures and a budget amendment can be accomplished to finish out the year's finances. Both 4A and 4B have budgeted very conservatively as well regarding sales tax income. Mayor Helmberger expressed his displeasure in approving a budget with no way to attain a balanced budget by the end of the year.

Mayor Helmberger asked the Council if they prefer to approve the budget line item by line item or by department and allow the department heads to do their jobs. Mr. White stated the Council will be given the detail of expenditures every month. Consensus was to budget approval by department.

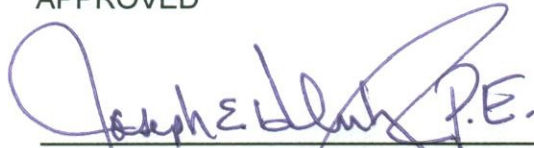
Item V – B) DISCUSS AND CONSIDER PROPOSED TAX RATE, SET TWO PUBLIC HEARING DATES FOR THE TAX RATE, AND DIRECT STAFF IN THE PREPARATION OF AN ORDINANCE FOR THE ESTABLISHMENT OF THE SELECTED RATE

City Manager Ben White indicated that the planning calendar is on target. Council concurred to set the two public hearing dates for the tax rate on August 14, 2012 and August 28, 2012 and have the ordinances prepared to establish the selected tax rate.

Item VIII) ADJOURNMENT

Council adjourned at 8:08pm.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

