

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
August 14, 2012

The Farmersville City Council met in a regularly called session on August 14, 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, Russell Chandler and Jim Foy. Staff members present were City Manager Ben White, Police Chief Michael Sullivan, 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.

Prayer was offered by Clint Brown, preacher from the Church of Christ, Farmersville.

Police Chief Sullivan introduced Officer Steven Hayslip as a recognized officer of the Farmersville Police Department for his abilities to control a bicycle accident where an individual suffered severed vertebrae. The victim of the accident is now walking and sent thanks to Officer Hayslip. Chief Sullivan presented a Challenge Coin to Officer Hayslip for going above and beyond the call of duty for extraordinary service.

Mayor Helmberger requested Fire Chief Kim Morris to expound on the recent ISO audit. Chief Morris stated that Mike Pietsch, a private consultant who previously worked for ISO, did a preliminary ISO audit review on August 13th. Mr. Pietsch stated thus far, our Fire Department and Public Works' efforts exceeded his expectations and did not foresee any problems with attaining ISO level 3. Credit will be given for the purchase of tools and a new fire truck as they were purchased prior to the actual audit date of November 1, 2012. Pansy Hundley questioned what the ISO rating meant. Chief Morris detailed the ISO as an insurance savings for the homeowners of Farmersville when the rating lowers. The best rating is 1. The cost savings could be a 12% reduction of insurance rates for commercial properties and 7% reduction for residential properties.

Item II) CONSENT AGENDA

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

Item A – Mr. Foy stated the minutes from July 10th reflect College Street during the discussion of streets; however the correction should be Central Street. Mr. Foy also noted the minutes from the July 26th meeting reflect a \$0.20 increase from NTMWD per meter; the minutes should have read a \$0.14 increase per 1,000 gallons. Jim Foy motioned to approve Item A with the corrections as stated with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Mayor Helmberger requested that City Manager Ben White review Item H – Public Works Report under the electrical system. Mr. White stated that he and Mr. Foy attended a conference at Texas Public Power Association where they met with McCord Engineering to discuss the different options for the City to develop their electric utility. Preliminarily, the desire

is for the City to take over the system however there are investments to be made which is indicated on Mr. White's Public Works Report under section 1(b) of the Electrical System. Mr. White stated he met several power companies at the conference that were selling power. Mr. White also evaluated the current power cost using Garland's contract rate and our rates are pretty good right now. By making this evaluation, Mr. White indicated that the City could potentially profit from taking on the utility. Recurring expenses were also evaluated including fuel, maintenance and an estimated \$75,000 dead load for equipment. By the cost estimate shown, a \$200,000 cost difference from transfers was displayed from the City making the \$800,000 transfers to the General Fund. Assuming all stayed the same, the biggest expense in the recent past was the transformer installed for JD Russell. This type of installation will be addressed for future developments as well so the City will not take on this financial burden. From the estimations, it looks like we could operate and return \$100,000 or more. Mr. White stated he will be reviewing the costs more rigorously along with attaining McCord Engineering's opinion on a surcharge to make improvements to the system and not just fight the problems as they arise. Currently with Sharyland the City receives 30% of the overages. Mayor Helmberger stated the developer needs to make installations to the infrastructure equal to the water and sewer system and the City should not incur those infrastructure costs. City Manager Ben White stated that the 4A Economic Development Corporation has been very generous in furnishing funding for our model system and inventory costs not paid by Sharyland. The model, costing \$45,000, will help show the weaknesses in the system. Mayor Helmberger stated he would like to have the electrical system as a separate line item on future agendas.

Jim Foy stated the options are open presently to allow the City to end the contract before it ends. Sharyland has indicated that in the summer of 2014 it is possible that they would deregulate, which thereby would force the City to change how we handle our electric utility.

Jim Foy also stated, regarding the Public Works Report, that he is pleased with the flow chart which indicates the water system's usage. We are doing very well against last year. It is still clear that the City has an infiltration problem. Mr. White stated the City continues to search for grants for improvements to our water and wastewater systems. Mr. White also indicated that he has met with NTMWD and the indicators reflect that we are going in the right direction with TCEQ. Mr. White stated the City must continue planning for the future of our systems, and presently the best action is to camera the sewer system and define problems as this will help with future planning. Per Mr. White, there are still a lot of old clay tile lines in our sewer system and we still have a significant amount of problems. Billy Long motioned to approve Item H Public Works Report with Jim Foy seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item III) INFORMATIONAL ITEMS

Council did not request further information or clarification regarding Informational Items.

Item IV – A) READING OF ORDINANCES – SECOND 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 stated that the Council had approved the First Reading of this ordinance at the last meeting and the second reading of this ordinance is being presented. Jim Foy motioned to approve the Ordinance 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, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

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

Finance Director Daphne Hamlin came before the Council and summarized the changes to the budget since the last workshop meeting. Ms. Hamlin recommended Option 3 as proposed regarding the tax rate with the Maintenance & Operations (M&O) rate being \$0.489859. With this option, it would allow the corrective actions to include the removal of the Police vehicle, Public Works vehicle and the Fire Department vehicle totaling \$113,489.00 and take \$62,696.00 from the Reserve Fund to balance the budget. Mayor Helmberger stated the preliminary appraised values presented by the Tax Office was \$12.5 million dollars more and has since been re-evaluated and corrected. The corrected figures do reflect less than what was originally anticipated for income based on the Collin County Tax Office figures. Mayor Helmberger stated we must increase the Interest & Sinking (I&S) rate to cover the cost of the recently elected bonds. City Manager Ben White indicated that the newly formed TIRZ District will not have any funds this year. The funds for the TIRZ, however, will be set aside and the City will separate those funds – approximately 15% – until the City has an agreement with Collin County Tax Office. The funds through the TIRZ are earmarked for infrastructure only. An Interlocal Agreement with Collin County Tax Office is forthcoming.

Per Mr. White, by removing all the vehicles and the use of the Reserve Funds, the budget will be balanced. The plan of utilizing the Reserve Funds is slightly higher than originally planned, but the City is financially sound and can afford this type of expenditure.

Mayor Helmberger expressed with the I&S rate set, the only option is to drop the M&O. Jim Foy pointed out that the citizens did vote to sell the bonds and it was publicized that the taxes would increase approximately 6¢. If we keep the M&O at the same rate and the I&S at the proposed rate, it will increase the taxes to 71¢ per \$100 valuation. Mr. Foy suggested keeping the taxes below 70¢, perhaps at 69.5¢. Daphne Hamlin pointed out that with a rate of 71¢, Farmersville will be in the higher end of the tax rates compared to other entities in Collin County; however presently we are in the middle of the rate chart. City Manager Ben White stated he approached this issue by scaling back on purchasing the vehicles and took a very conservative approach regarding the sales tax income. Mayor Helmberger stated the vehicles could be purchased in next year's budget. Russell Chandler stated he would like to see the tax rate remain under 70¢ as well; however his suggestion for the rate would be 69.75¢.

With the windfall from the sales tax error this year, \$71,000 was placed in the City's coffers. By moving the excess into this year's budget and placing it in the Reserve Fund and spending the same for next year's budget to cover the \$63,000 budget shortage for this year and roughly \$8,000 will remain in the Reserve Fund if we proceeded with Option 3 and purchased the vehicles at this time. City Manager Ben White and Daphne Hamlin concurred that purchasing the vehicles and extracting funds from the Reserve Fund to balance the budget will allow us to continue without a hardship to the City's cash flow. Russell Chandler stated he would like to keep the tax rate under 70¢. Mayor Helmberger stated the City needs to keep the level of service to the customers. Mr. White stated he could see a strong case to see an increase in sales tax revenues. Jim Foy made clear that having the sales tax less than 70¢ is psychological, but it will help the citizens from having a heavier financial burden.

the budget. Staff will prepare the budget documents accordingly and will be presented for approval.

Item VI – A) CONSIDER, DISCUSS AND ACT UPON AN AGREEMENT WITH COLLIN COUNTY REGARDING A CONNECTION POLICY AND AGREEMENT FOR VIRTUAL PRIVATE NETWORK (VPN)

City Manager Ben White stated that Collin County provides the information needed to the Police Department via a Virtual Private Network allowing our Police Officers to attain information on the spot using their squad cars. The agreement presented is a standard agreement with no cost from Collin County. Any costs involved would be through Integrated Computer Systems (ICS) which the City already has a contract with. With no further discussion, Billy Long motioned to approve the agreement as presented with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item VI – B) CONSIDER, DISCUSS AND ACT UPON AN INTERLOCAL AGREEMENT WITH COLLIN COUNTY FIRE AND ARSON TASK FORCE

Fire Chief Kim Morris came before the Council to discuss the agreement between Collin County Fire and Arson Task Force and the City of Farmersville. Chief Morris stated he is a cause and origin investigator regarding a fire at a structure, but because he is not an arson investigator, Collin County would have to be contacted to have an Arson Task Force Investigator, as this position requires an arson investigator to be a Certified Peace Officer.

This is a new task force put together by Deputy Marshal David Toler and the agreement allows Collin County to come into our City which spells out the authority. City Attorney Alan Lathrom stated this is a standard contract that is used in Tarrant County as well. This contract will potentially eliminate any liability issues that may arise. Russell Chandler motioned to approve the agreement with Michael Carr seconding the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item VI – C) CONSIDER, DISCUSS AND ACT UPON AN AGREEMENT WITH ONEOK STERLING III PIPELINE FOR RIGHT-OF-WAY EASEMENT FOR PROPERTY LOCATED ALONG THE CHAPARRAL TRAIL

Darlene Tanner with Oneok Sterling III Pipeline came before the Council requesting a 50' easement along a portion of the Chaparral Trail. Ms. Tanner informed the Council that an existing pipeline is in place in this particular easement. Oneok is asking to take an additional 25' from the existing easement which will complete a 50' wide easement, but will pay for the entire 50'. The size being proposed is 6.13 rods which equals 101.145 feet. If streams and creeks come into play, Oneok will bore under those obstructions and thereby, not penetrating or causing potential issues with the environment. Mayor Helmberger stated he is not prepared to have the Chaparral Trail cut; if any construction is done, it must be bored under. Ms. Tanner stated the pipeline is normally 36" deep but can be installed at a deeper level. Oneok had originally offered \$100 per rod, but has now changed their offer to \$1,000 per rod to cover all costs and any damages. A right-of-way agent will be on-site monitoring the right-of-way during construction. Ms. Tanner encouraged the City to be on-site during the construction process.

Mayor Helmberger stated the documents presented do not show the existing easement or the existing pipeline. City Manager Ben White stated the company is asking for an exclusive

agreement; however Mr. White stated he has a problem recommending this type of agreement and would rather have a non-exclusive agreement. The contract is not written so that we can allow a future water pipeline to come through to cross our own land. Mr. White stated that with a 150' construction easement, a great number of trees in that area of the trail can be wiped out unless the pipeline is being bored and encased which would be a better solution. A requirement that will be asked from the City is having a gate access. The access should be from the outer sides. Another request from the City per Mr. White is to have only one pipeline, and that, in the contract a description of what types of materials will be used on the pipeline, and that only specified products are allowed to flow through the pipeline. Mr. White stated the City needs to understand where the existing line is located. Mr. White recommended the City work with Oneok to have the project bored at a certain depth, have the pipe encased with steel for the public's safety and have the crossing similar to TxDOT's roadway where the trail will not be disturbed. As we build the trail with grants and this easement becomes an issue, we can stop the grant funding at a specified area and pick up on the other side of the easement where grant funding does not conflict with this or any other funding opportunities.

Jim Foy requested City Attorney Alan Lathrom explain the memorandum he presented to the Council. Mr. Lathrom stated that a city may not sell and convey land or an interest in land that the city owns as a park unless the issue of the sale is submitted to the qualified voters of the city at an election, and the sale is approved by the majority of the voters. The cost of an election can become very expensive, on the high end potentially \$9,000.

With the existing easement not being presented, Mr. White expressed that he would recommend the City working with Oneok; however any costs expended would need to be passed thru to Oneok. Mayor Helmberger stated he would like to see the existing pipeline and the relationship of the old versus the new pipeline.

Ms. Tanner stated Oneok would like to start construction in the Fall, preferably October or November. All other properties and/or easements have been attained by other property owners in the area.

No action was taken by Council at this time. Oneok will re-present their documentation at a later date for the Council to evaluate.

Item VI – D) 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

With little discussion, Russell Chandler motioned to consider the proposed tax rate of \$0.6975, include three vehicles to come out of the Reserve Fund and include any shortfall in order to balance the budget. Michael Carr seconded the motion. A poll of the Council was taken as follows: Pansy Hundley yes, Michael Carr yes, Billy Long yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item VI – E) DISCUSS WATER RECLAMATION AT THE SPLASH PAD

City Manager Ben White reminded the Council that the Splash Pad reclamation project has been delayed by 4B Community Development Corporation due to funding. When a cost estimate was attained, the reclamation project was projected to cost greater than \$200,000. The cost would include holding tanks and a pump which would utilize the water on the grassy areas. Mr. White stated he may have a better approach. Instead of having such large storage tanks, it would be more cost effective to purchase a smaller tank and use a sand filter, much like those used for swimming pools. Ozone filters may be more effective, but there are other

creative ways to reduce the cost of water usage at this park. Mayor Helmberger suggested seeking the company that installed the Splash Pad to see if they have a reclamation possibility. Mr. White stated he will continue to investigate the potential possibilities.

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

No items were requested for future agendas. Billy Long stated he would like to commend Mr. White and City Staff for the improvements made at the City Park for a job well done.

Mayor Helmberger stated he would like to have a representative from North Texas Municipal Water District present at the meeting where the NTMWD pipeline installation will be discussed, to give reasons of the new pipeline and the cost impact to Farmersville. Mayor Helmberger also requested Mr. Bill Harrison, our representative on the NTMWD Board, to be present at this meeting as well.

Item VIII) ADJOURNMENT

Council adjourned at 7:29pm.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

