

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
August 27, 2013

The Farmersville City Council met in regular session on August 27, 2013 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Helmberger, John Klostermann, Michael Carr, Michael Hesse, 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, Librarian Trisha Dowell 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. Edie Sims offered the invocation with Mayor Helmberger leading the audience in the Pledge of Allegiance to the American Flag.

Mayor Helmberger announced the Council will hold a special meeting on September 3rd, 2013 to hold a second public hearing for the proposed 2013 property tax rate. The Council was asked to have a group photo at the meeting on September 10th.

Mayor Helmberger read a Proclamation naming September 8, 2013 as Public Safety Sunday.

Item II – A) FIRST PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED 2013 PROPERTY TAX RATE FOR THE CITY OF FARMERSVILLE

Mayor Helmberger opened the Public Hearing at 6:03:41pm and asked for anyone to speak for the tax rate proposed of \$0.6975 per \$100 value for 2013. With no one coming forward, Mayor Helmberger asked for anyone opposing the proposed tax rate to come forward. With no one coming forward, the Public Hearing was closed at 6:04:02pm.

Item II – B) FIRST PUBLIC HEARING TO CONSIDER, DISCUSS AND ACT UPON AMENDING THE CITY'S LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLAN AND IMPACT FEES

Mayor Helmberger opened the Public Hearing at 6:04:20pm and asked for anyone to speak for the amendment to the City's Land Use Assumptions, Capital Improvement Plan and Impact Fees. With no one coming forward, Mayor Helmberger asked for anyone opposing the amendment to the City's Land Use Assumptions, Capital Improvement Plan and Impact Fees. To come forward. With no one coming forward, the Public Hearing was closed at 6:04:47pm.

Item III – A) FIRST READING TO CONSIDER DISCUSS AND ACT UPON AN ORDINANCE TO UPDATE AND AMEND THE CITY'S LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLAN AND IMPACT FEES

City Manager Ben White addressed the Council stating the Capital Improvements Advisory Commission (CIAC) reviewed the current impact fees and the impact fee study performed by Kimley-Horn and Associates. The impact fee process will be completed including with the Comprehensive Plan through the ordinance presented. The Capital Improvements Advisory Commission recommended the Council consider charging 60% of the maximum allowable amount which calculates to \$2,507 per 3/4" water meter for a water impact fee and \$787 per 3/4" water meter for sewer impact fee for a total of \$3,294 per service. Mayor Helmberger stated the Planning and Zoning Commission and the CIAC looked at information at a 10 year growth rate.

Jim Foy clarified that the water impact fee is based on the meter size and meter equivalency. Mr. Foy expressed concern of additional charges being implemented for tap fees and a fire suppression system. Mr. Foy stated he felt the charges were discouraging to businesses and not realistic to charge a fire sprinkler (suppression) fee, tap fee and impact fee. Mr. White stated he will research and confirm with our City Engineer. Typically a fire suppression system is not metered. A tap fee is separate from the impact fee. Mr. Foy stated he would like to review the tap fees in the near future.

City Attorney Alan Lathrom indicated to the Council of two separate impact fee tables which cover the existing fees for properties that have already been platted and a secondary impact fee table of charges for properties that have not been platted. The ordinance presented includes the Land Use Assumptions and the Capital Improvement Plan. Russell Chandler motioned to approve the first reading of the ordinance to amend the City's Land Use Assumptions, Capital Improvement Plan, and Impact Fees with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item III – B) SECOND READING TO CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE AMENDING CHAPTER 77, "ZONING," OF THE CODE OF ORDINANCES OF THE CITY OF FARMERSVILLE, ARTICLE III "NEW TYPES OF LAND USE; DISTRICTS", SECTION 77-138, "SPECIFIC USE PERMITS"

Mayor Helmberger announced the Council approved the first reading of the ordinance presented regarding Specific Use Permits. With no questions or concerns being addressed by the Council, John Klostermann motioned to approve the second reading of the ordinance amending the Zoning regarding Specific Use Permits with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – A) CONSIDER, DISCUSS AND ACT UPON THE CITY FINANCIAL REPORTS

City Manager Ben White delighted to inform the Council the water fund is tracking up and looking better. With no other questions or concerns being addressed by the Council, Russell Chandler motioned to approve the City Financial Reports as presented with Michael Carr seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – B) UPDATE AND DISCUSSION REGARDING THE ELECTRICAL SYSTEM

City Manager Ben White introduced Steve Moffitt of Schneider Engineering who will be working with the City of Farmersville regarding an energy contract. Mr. Moffitt described the power supply process from the RFP development to the final contract. There are many suppliers that have interest in making a proposal to the City of Farmersville to provide energy. Mr. Moffitt will prepare the RFP, evaluate the proposals according to models that will allow equal comparison and submit the final contenders to the City Council. The total timeframe for the project would be 4 months or less. Mr. Moffitt informed the Council of the attractive prices for electricity and encouraged the Council to have a contract in place before December 31st to take advantage of lower prices and being locked in to those prices. Mr. Moffitt clarified that the new contract would not take effect until the existing contract ends.

Natural gas costs make a difference in how the electric prices are set. There are concerns, particularly in summer and winter, that adequate generation supply may not be

available if weather drives the peak demands up. Since 1895, we have not seen hot summers as we have experienced in 2010, 2011 and 2012. With extreme temperatures, the generation is tasked to provide enough power. ERCOT decides if "brown-outs" are necessary to relieve the grid. Heat rates are a measure of the commodity and are a component of the electric rate that brings the prices down. Heat rate times gas price divided by 100 equals the per kilowatt.

Mr. Moffitt described three levels of potential risks involved regarding the summer forecast. One is the forecasted season peak load with 2,946 capacity available for operating reserves. An extreme load/typical generation outage risk has the capacity available for operating reserves at 417 and finally an extreme load/extreme generation outages has the capacity available for operating reserves of -1,274. Natural gas prices have come down since 2011 and the forecast shows prices to continue to drop or stay in the general lower area.

Energy prices are forecasted to average around \$0.0679. Preliminary average prices were presented for a one, three and five year contract. Whatever rates are locked in at signing do not include transmission rates which are pass thru charges. Jim Foy questioned the Power Cost Recovery Factor (PCRF) fee. Mr. Moffitt stated the prices would be a flat cost without a PCRF.

Mr. Moffitt explained the three types of contracts and the risk level involved. The first is a Full Requirement contract where Farmersville will pay one fixed price for energy. The supplier takes on all management of load and serves all kilowatt hours needed at one price. This method has the least risk to Farmersville. The second type of contract is a Load Shape. This contract will be based on historical load patterns for energy. If more energy is needed than the historical patterns, then it is procured at market price. If less energy is needed than historical patterns, excess is sold at market price and credited to Farmersville. The supplier manages all procurement but Farmersville has risk based on the price of market energy. This is the "middle of the road" risk profile. The last type of contract is the Load Shape. This contract would allow Farmersville to buy blocks of energy that match peak loads. Shortages still bought at market price and excess is still credited at market price. The supplier works with Farmersville to optimize procurement and manage risk. This is the most risky contract but carries the lowest potential price. Garland Power and Light uses the Load Block method. Mr. Moffitt stated he was encouraging the Full Requirements contract method as it has the least risk to Farmersville, the contract is simple and it makes sense for the condition of the system. Mr. Moffitt requested the Council to allow him to present the Request For Proposal (RFP) to 5 – 7 of the electric providers he feels most comfortable with and knows and respects these firms. Mr. Moffitt stated he did not recommend the City working with banks for the RFP. Mr. Moffitt also recommended a 5 year term. Mr. Moffitt finalized his presentation by stating he preferred having risk adverse for Farmersville rather than risk tolerant. No action was taken by City Council.

Item IV – C) CONSIDER, DISCUSS AND ACT UPON ACCEPTING PHIL WEISS' RESIGNATION FROM THE FARMERSVILLE COMMUNITY DEVELOPMENT CORPORATION

Jim Foy motioned to approve Phil Weiss' resignation from the Farmersville Community Development Corporation Board with Michael Carr seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – D) CONSIDER, DISCUSS AND ACT UPON APPOINTING A REPLACEMENT TO THE FARMERSVILLE COMMUNITY DEVELOPMENT CORPORATION

Paul Kelly was recommended to the Council to complete Phil Weiss' term on the Farmersville Community Development Corporation Board. Mr. Kelly has stated he would serve

on this Board. Jim Foy motioned to appoint Paul Kelly to this position with Michael Hesse seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – E) CONSIDER, DISCUSS AND ACT UPON APPOINTING TWO MEMBERS TO THE SENIOR CITIZENS ADVISORY COMMITTEE

Two places on the Senior Citizens Advisory Committee are in need of replacing. Billy Harrison and Rafiq Huddleston have agreed to serve on this Committee. Russell Chandler motioned to appoint Billy Harrison and Rafiq Huddleston to the Senior Citizens Advisory Committee with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Carr yes, Michael Hesse yes, Russell Chandler yes and Jim Foy yes. Motion passed with full Council approval.

Item IV – F) CONSIDER, DISCUSS AND ACT UPON REVISING THE NOISE ORDINANCE REGARDING CONSTRUCTION NOISE

Mayor Helmberger stated the noise ordinance needs to have an option for construction noise due to extreme temperatures. Recently the LDS Church needed to pour concrete at 2am due to the extreme hot temperatures. The heat was allowing the concrete to dry too fast and not allowing it to cure properly. Mayor Helmberger suggested adding an allowance for construction noise within 200 feet of a residential area and the contractor schedule the necessary information in advance with the City Manager. The Council does not need to have these types of construction issues brought before them for action. If there are objections, then the objections could be presented to the Council. Jim Foy stated we need a method to handle complaints, even if just one. Mayor Helmberger requested other cities be evaluated for their noise ordinance regarding construction noise. No action was taken by the Council.

V) EXECUTIVE SESSION – SECTION 551.071, CONSULTATION WITH CITY ATTORNEY, AND SECTION 551.086, COMPETITIVE MATTERS OF A PUBLIC POWER UTILITY: CONSULTATION WITH CITY ATTORNEY REGARDING AND CONSIDERATION, DISCUSSION AND POSSIBLE ACTION REGARDING COMPETITIVE MATTERS OF THE CITY-OWNED PUBLIC POWER UTILITY AS ALLOWED BY SECTION 551.086 OF THE TEXAS GOVERNMENT CODE FOR PURPOSES OF MAINTAINING THE CONFIDENTIALITY OF CERTAIN INFORMATION RELATING TO COMPETITIVE ELECTRIC UTILITY MATTERS ENGAGED IN OR TO BE ENGAGED IN BY THE CITY OF FARMERSVILLE

Mayor Helmberger and Council went into Executive Session at 7:12:12 and invited City Attorney Alan Lathrom, City Manager Ben White, and electric contract consultant Steve Moffitt to attend the Executive Session.

VI) RECONVENE FROM EXECUTIVE SESSION AND CONSIDER, DISCUSS AND ACT ON MATTERS DISCUSSED IN EXECUTIVE SESSION

Mayor and Council reconvened from Executive Session at 7:52:16 with no action from Executive Session.

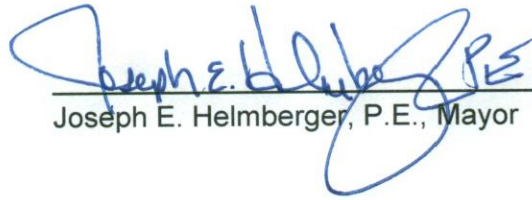
ITEM VII) REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

No one requested items for future agendas.

ITEM VIII) ADJOURNMENT

Council adjourned at 7:52:34.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

