

FARMERSVILLE CITY COUNCIL  
MEETING MINUTES  
MARCH 8, 2011

The Farmersville City Council met in called regularly called session on March 8, 2011 at 6:00 p.m. in the Council Chamber at City Hall with the following members present: Mayor Joe Helmberger, Fred Langford, Paul Kelly, Billy Long, Bobby Bishop and Jim Foy. Staff members present were Police Chief Mike Sullivan, Fire Chief Kim Morris, Finance Director Daphne Hamlin, City Attorney Alan Lathrom and City Secretary Edie Sims.

CALL MEETING TO ORDER, ROLL CALL

Mayor Helmberger called the meeting to order. Edie Sims called the roll and announced a quorum was present.

WELCOME GUESTS AND ANNOUNCEMENTS

Mayor Helmberger welcomed the guests. Jim Foy announced Ben Barber's appointment to the Air Force Academy being quite an accomplishment. Mr. Foy requested the Mayor have a Proclamation for Ben Barber Day.

CONSENT AGENDA

Jim Foy requested Items A, B and D be removed from the Consent Agenda for discussion. Paul Kelly motioned to approve all other items on the Consent Agenda with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

Item A – City Council Minutes for the month of February: Jim Foy stated his vote was incorrect on the minutes from February 8, 2011 regarding the Public Hearing which should be NO and the vote for the Site Plan should be YES. Jim Foy motioned to approve Item A with the changes as described. Bobby Bishop seconded the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

Item B – City Financial Reports: Jim Foy questioned the Electric Fund if the 1<sup>st</sup> quarter payment had been received. The Report indicates the payment received from last quarter being October, November and December. Payments are one quarter behind. Bobby Bishop motioned to approve Item B with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

Item D – Code Enforcement/Animal Control Report for the month of February: Jim Foy was concerned that more emphasis has been on code enforcement, yet the report does not reflect the top 30 issues or problem areas. Police Chief Mike Sullivan came before the Council to state this project is a priority and still working to accomplish having more information relayed to the Council. Paul Kelly motioned to approve Item D with Jim Foy seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

## INFORMATIONAL ITEMS

Item A – Update regarding status of grants applied for and/or received by the City including bonds: Mayor Helmberger questioned the Southlake Grant status. Per City Manager John Moran, due to the noncompliant work previously performed for the sidewalk at Southlake, the Texas Parks and Wildlife must approve the additional work for the sidewalks to be ADA compliant. A letter was submitted last week and we are awaiting confirmation before construction can begin. Construction will be done in-house.

Item I – Update regarding the Collin County Intermodal Hub Feasibility Study: Mayor Helmberger informed the Council that the Feasibility Study has confirmed that of the five sites investigated, the Farmersville Site would be the most advantageous for an Intermodal Hub. At this point, the Kansas City Southern Railroad would need to review and make the determination if an Intermodal Hub would be on their future plan. Mayor Helmberger thanked Randal Shinn for his persistence and bringing this information to Farmersville. If a Hub will become a reality, the Economic Development Board could address the purchase of land.

Item J – Update regarding the Film Friendly certification: Main Street Manager Adah Leah Wolf came to present the Council with the certification. Farmersville is the 37<sup>th</sup> city within the State of Texas that has become a Film Friendly City. This is a very positive announcement for the City of Farmersville.

## WORKSHOP – PRESENTATION AND DISCUSSION REGARDING THE RESULTS OF A WATER AND WASTEWATER UTILITY RATE STUDY

Chris Ekrut with J. Stowe and Company came before the Council with results of the water and wastewater utility rate study and present further options for the Council to consider. Bobby Bishop was concerned that the utility rate studies have been performed without the audit information as complete data. The Fiscal Year 2010 Audit shows revenues greater than expenses for the fiscal year with restricted funds of \$175,000. The key, per Mr. Ekrut, is to have the cash for expenses to meet the cost. Existing restricted cash should be used as a tool for the next five years to help offset the utility rate impact upon the customers with the proposed rate increases. According to Mr. Ekrut, failure to fund cost of service through rates prevents the City from providing other needed services. Mayor Helmberger questioned why the transfer of the East Water Tower when built was not shown as an expenditure. The Capital Projects were used through the 2006 Certificate of Obligation. Advanced Fixtures originally assisted with the funding of the East Water Tower along with the Farmersville Economic Development Corporation (4A) and the City. Robert Lake with Rutherford, Taylor and Company stated he will assist with the research to find where the funds were accounted. In previous years the water and sewer fund made money per Mr. Ekrut; however the Capital Assets expended funds out of the capital projects and the value is represented as an asset.

Mayor Helmberger expressed concerns of transfers regarding 4A Economic Development Board funding the South Main Bridge engineering. Mr. Lake stated this should be expended through the Capital Outlay Fund. Mr. Ekrut stated it is essential to get the utility's finances in order before upcoming capital improvements as this will

impact bond ratings for future bond requirements. Mr. Ekrut offered three options for the Council to consider. These options are the same for water and sewer rates.

Option 1, as offered by Mr. Ekrut, would be to increment rate increases and leave the 1,000 gallon threshold for both water and sewer. Chris Ekrut stated the problem with the rates in Option 1 will be the same as the existing rates since the rates are not achieving the cost of expenses. The City has not recovered the cost of service with revenues received. On average 28 customers use less than 1,000 gallons. Removing the 1,000 gallon threshold will allow better water conservation practices.

Option 2 will increment the rate increases and remove the minimum bill allotment and increase the rate structure at 20,001 gallons plus the block rate.

Option 3 will increment the rate increases, remove the minimum bill allotment, use the escalating meter charge structure and increase the block rate at 20,001 gallons.

A water meter size chart was provided to show that 1,288 meters have ¾" or less size meters. There are 38 meters that are 2" which will include the apartments, City, churches, businesses and school district connections. Only 7 meters have a 6" water meter. Without using the escalating meter method, the water usage is not proportionate or the flow which allows the residential users to subsidize the larger connections.

If the City remains on the same path, there will be major capital improvement challenges. Diane Piwko came before the Council concerned that by 2014 Farmersville will be at the very top of the rates charged and will stymie growth.

FIRST READING OF ORDINANCE # O-2011-0322-001 REGARDING A NON-EXCLUSIVE FRANCHISE TERM NOT TO EXCEED 30 YEARS WITH TEXAS NEW MEXICO POWER

City Attorney Alan Lathrom referred the Ordinance to Geoffrey Gay with Lloyd Gosselink Attorneys at Law who was hired to assist with the electric company contracts. According to Mr. Lathrom, there are several provisions missing and Mr. Gay is an expert regarding electric utilities. There is a concern of rates and franchise fees that need to be addressed before final presentation to the Council. Council took no action on this item.

FIRST READING OF ORDINANCE # O-2011-0322-002 AMENDING ARTICLE 4 OF THE BUILDING AND CONSTRUCTION AND AMENDING SECTION 4.130 OF THE INTERNATIONAL MECHANICAL CODE, 2006 EDITION TO EXTEND ENFORCEMENT OF BUILDING CODES IN THE EXTRATERRITORIAL JURISDICTION

City Manager John Moran stated that Collin County or Hunt County, respectively, will maintain all commercial permitting with the Extraterritorial Jurisdiction of the City of Farmersville. The City will only respond to residential new buildings. Bobby Bishop motioned to approve Ordinance # O-2011-0322-002 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-003 AMENDING ARTICLE 4 OF THE BUILDING AND CONSTRUCTION AND AMENDING SECTION 4.133 OF THE INTERNATIONAL PLUMBING CODE, 2006 EDITION TO EXTEND ENFORCEMENT OF BUILDING CODES IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-003 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-004 AMENDING ARTICLE 4 OF THE BUILDING AND CONSTRUCTION AND AMENDING SECTION 4.116 OF THE INTERNATIONAL BUILDING CODE, 2006 EDITION TO EXTEND ENFORCEMENT OF BUILDING CODES IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-004 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-005 AMENDING ARTICLE 4 OF THE BUILDING AND CONSTRUCTION AND AMENDING SECTION 4.121 OF THE INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS, 2006 EDITION TO EXTEND ENFORCEMENT OF BUILDING CODES IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-005 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-006 AMENDING ORDINANCE # O-2010-0119-005 BY ADDING SECTION 11 OF THE NATIONAL ELECTRICAL CODE, 2008 EDITION EXTENDING THE APPLICATION AND ENFORCEMENT OF SAID CONSTRUCTION-RELATED ORDINANCE IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-006 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-007 AMENDING ORDINANCE # O-2010-0413-006 TO REVISE THE GEOGRAPHIC LIMITS AND ADD SECTION 10 OF THE INTERNATIONAL FIRE CODE, 2006 EDITION EXTENDING THE APPLICATION AND ENFORCEMENT OF SAID CONSTRUCTION-RELATED ORDINANCE IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-007 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-008 AMENDING ORDINANCE # O-2010-0413-005 ADDING SECTION 9 OF THE INTERNATIONAL ENERGY CONSERVATION CODE, 2006 EDITION EXTENDING THE APPLICATION AND ENFORCEMENT OF SAID CONSTRUCTION-RELATED ORDINANCE IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-008 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-009 AMENDING ORDINANCE # O-2010-0413-003, WHICH ADOPTED THE INTERNATIONAL FUEL GAS CODE, 2006 EDITION ADDING SECTION 9 EXTENDING THE APPLICATION AND ENFORCEMENT OF SAID CONSTRUCTION-RELATED ORDINANCE IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-009 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

FIRST READING OF ORDINANCE # O-2011-0322-010 AMENDING ORDINANCE # O-2010-0413-004, WHICH ADOPTED THE INTERNATIONAL EXISTING BUILDING CODE, 2006 EDITION ADDING SECTION 9 EXTENDING THE APPLICATION AND ENFORCEMENT OF SAID CONSTRUCTION-RELATED ORDINANCE IN THE EXTRATERRITORIAL JURISDICTION

Bobby Bishop motioned to approve Ordinance # O-2011-0322-010 with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

PRESENTATION OF THE 2009 – 2010 FISCAL YEAR AUDIT

Robert Lake, with Rutherford, Taylor and Company CPA firm, came before the Council to present the 2009 – 2010 Fiscal Year Audit. No weaknesses or non-compliance were found through this independent audit. A management letter was issued to the Mayor and Council to follow up from last year's audit regarding internal controls. The management letter is to provide constructive comments to identify issues and bring issues into compliance. Total net assets equal \$11,100,000 with a loss of \$750,000 this year. The electrical charges are handled through operating grants and contributions which also includes the amount received from Sharyland. The Fund Financial Statements mirror the monthly financials which are reconciled monthly. The Statement of Revenues, Expenditures and Changes in the Fund Balance is the core of the audit which shows \$59,000 loss in the General Fund. It is expected to have a loss in Capital Improvements as the improvements are completed in one fiscal year and the funding is completed in another fiscal year. Future bonds should be specific to a project and not as a random overview. The Debt Service Fund should pay the debt for the services and the Council should establish what amount is to be dedicated to the debt

service. Jim Foy asked where the street repairs are located, with Mr. Lake responding on page 36 of the Audit Report under Government Wide Activity. According to Mr. Lake cash flows have improved about \$40,000 and transfers being made are to assist the General Fund's balance. Jim Foy mentioned unfunded liability in regards to the City employee's retirement. This rate is determined by Texas Municipal Retirement System (TMRS) according to the age of the employee and life expectancy. Mr. Lake encouraged the Council to continue reviewing this information from TMRS. According to the Budgetary Comparison Schedule, the City ended the Fiscal Year 2010 \$67,000 lower than anticipated. Mr. Lake commended the budget reporting as being much improved. Mr. Lake also encouraged the Council to add an item to the Consent Agenda for budget amendments especially if there is a continuous need. The budget amendment could also cover category changes in the budget. Mr. Lake offered his company to come one time and assist with previous issues exercise a one-time cleanup to go forward. Previously, Mr. Eddie Peacock had recommended purchasing software for reconciling, but the current program used by the City is sufficient. One problem that was clear was identifying what accounts to place payables and receivables. This uncertainty is creating problems now and in the future, especially with grant funds as it is imperative these funds are segregated to track properly. Financial policies and operating procedures take a long time to create but are truly needed.

#### DISCUSSION AND POSSIBLE ACTION ACCEPTING THE 2009 – 2010 FISCAL YEAR AUDIT

Bobby Bishop motioned to accept the audit as presented with Billy Long seconding the motion. A poll of the Council was taken as follows: Fred Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

#### RECEIVE ANNUAL REPORT FROM COMMUNITY WASTE DISPOSAL

Robert Medigovich, Municipal Coordinator for Community Waste Disposal, presented their annual report showing residents recycled 177 tons of recyclable waste in 2010 with 20 – 37 pounds per household being recycled. Mr. Medigovich expressed the good relationship between CWD and the City of Farmersville. An award was presented to the Mayor made from recycled glass.

Jim Foy asked for a formal program for commercial recycling. Mr. Medigovich stated he will be glad to accommodate any commercial account for recycling.

#### CONSIDER, DISCUSS AND ACT UPON BASEBALL AND FOOTBALL AGREEMENTS, AS APPROVED AND RECOMMENDED BY THE PARKS BOARD

City Attorney Alan Lathrom has reviewed the contracts after the Parks Board approved them. The Baseball contract has changed with having the health codes removed since this is required by State law. There were also changes on trash cleanup which is beneficial to the City as well as the Baseball League.

The Football contract was changed to opt out of the 25% mowing with an opt out option included. The Football League prefers to do the mowing with their mowers. Per Mr. Lathrom, an indemnity clause covers the City for any liabilities. Billy Long motioned to approve the Baseball and Football Agreements as recommended by the Parks Board with Jim Foy seconding the motion. A poll of the Council was taken as follows: Fred

Langford yes, Paul Kelly yes, Billy Long yes, Bobby Bishop yes and Jim Foy yes. Motion passed with full Council approval.

UPDATE OF THE PARKS BOARD ACTIVITIES

No action was taken as a presentation was not given.

DISCUSSION AND POSSIBLE ACTION ON BOND OPTIONS RELATIVE TO STREET REPAIRS AND UPGRADES

More discussion is to be made relative to street repairs at the March 22<sup>nd</sup> meeting as the Council needs to review the Street Inventory Log.

DISCUSS POSSIBLE ACTION REGULATIONS ON TRUCKS AND LARGE VEHICLES TRAVERSING CITY STREETS

After a short discussion, City Manager John Moran offered to retrieve a sample ordinance to keep large trucks and large vehicles off residential streets unless designated as a truck route. This item will be discussed at the March 22<sup>nd</sup> meeting.

DISCUSSION CONCERNING THE CITY'S GAME ROOM ORDINANCE

Fred Langford had asked this item to be brought to the Council as he has concerns that the City is losing tax dollars or other funds from the game rooms. Currently our Police Department is responsible to ensure the existing game rooms are operating legally. Police Chief Mike Sullivan came before the Council to inform them that the newly elected District Attorney has had this discussion with multiple police departments in Collin County and realizes the need to have more scrutiny for the legal operations of the game rooms. All of Collin County has been inundated with game rooms. Mr. Langford stated he wished to consider relaxing our current ordinance; however it was brought to Mr. Langford's attention that the previous Council saw a problem with 8 liners. Chief Sullivan assured the Council that the District Attorney's Office is working on this issue. Paul Kelly informed Mr. Langford that the Planning and Zoning Commission worked diligently on the Ordinance and intended for the future game rooms to be in the light industrial zoning. This zoning would require a game room owner to build their own building to City Codes.

DISCUSSION REGARDING THE POSSIBLE RENAMING OF THE 100 BLOCK OF SOUTH RIKE AND THE 100 BLOCK OF AUSTIN STREET

Due to the railroad crossing being closed on Rike Street, Austin Street and Rike Streets do not connect. If the street is renamed, Rike Street will affect 3 households and Austin Street will affect 2 households. Jim Foy suggested the public being affected participate and be prepared of the street renaming. Mr. Foy suggested we return to this issue in six months to allow time for suggestions for the new names. Council concurred to have this item return in six months.

DISCUSSION CONCERNING THE POSSIBLE RENAMING OF CERTAIN PORTIONS OF FARMERSVILLE PARKWAY

Jim Foy brought this item to the Council's attention. Farmersville Parkway, previously County Road 611, will "T" at the intersection of Farmersville Parkway and County Road 612. As Farmersville Parkway turns Southerly as currently is shown, there will be a problem in the future and this will be the time to make the correction as there are no residents along this route. Mr. Foy suggested we return to this issue in six

months to allow time for suggestions for the new names. City Attorney Alan Lathrom suggested the Council complete this task during the annexation process of the Collin College property which is adjacent to both Farmersville Parkway and County Road 612.

#### DISCUSSION RELATIVE TO THE CITY'S SIGN ORDINANCE AS IT PERTAINS TO FLASHING AND DIGITAL SIGNS

Jim Foy requested the Council discuss flashing and digital signs. Digital signs are becoming more prominent and prevalent and the Sign Ordinance, to date, does not address these types of signs. Some controls to be discussed would be the brightness of the digital signs. Mr. Foy stated he would like to see the Farmersville Downtown Merchants Association, Main Street Board, Marketing Committee and the Chamber of Commerce become involved with the planning of the Sign Ordinance regarding this issue. Currently our Sign Ordinance requires electronic messages to be stationary for two hours which is not being enforced at this time. Mayor Helmberger appointed Jim Foy to chair a committee to have these issues reviewed and brought back to the Council for action. No further action was taken on this item.

#### DISCUSSION AND POSSIBLE ACTION REGARDING THE TEXAS MUNICIPAL RETIREMENT SYSTEM AND THE ASSET VALUES AND LIABILITIES

Jim Foy brought this item to the Council's attention concerned of the asset values and liabilities which the City is responsible for paying. Texas Municipal Retirement System manages the funds for the City of Farmersville. Per City Manager John Moran, our funding ratio is increasing which means a healthy fund. This is the portion to keep notice of. Also, the City will be actuarially funded rather than have a phase-in rate. No further action was taken on this item.

#### DISCUSSION AND POSSIBLE ACTION REGARDING AN INTERLOCAL AGREEMENT WITH THE FARMERSVILLE ISD FOR UTILITIES TO THE TENNIS COURTS AND RIKE FIELD

City Attorney Alan Lathrom requested direction from the Council so that an Interlocal Agreement can be drawn. Some questions raised included payment for the light replacements, hours of use outside School hours, maintenance of grounds. Mayor Helmberger stated he would like to have an agreement for payment of the utilities. Discussion also included Rike Field and how to utilize this asset. Mayor Helmberger referred the utilization of Rike Field to the Parks Board to discuss. Council concurred with Mayor Helmberger to have City Attorney Alan Lathrom draft an Interlocal Agreement with the Farmersville ISD for the utilities at Rike Field and the tennis courts. No further action was taken.

#### UPDATE ON DIRECTOR OF PUBLIC WORKS POSITIONS

Ben White has been introduced to the Council at the beginning of the meeting as the new Public Works Director. He was welcomed to the position by Council.

#### DISCUSSION CONCERNING REVIEW OF CITY POLICIES AND PROCEDURES

University of Texas students are working with City Manager John Moran to produce, at no cost, a financial policy manual and personnel policy manual. This source will be invaluable for the City, per Mr. Moran.

Mr. Moran also informed the Council of the new policies put into place as an effect of the January burglary. A new alarm system has been installed and internal upgrades have been implemented. The Police Department was already working on a camera system and security doors which were installed. Chief Sullivan and Councilman Fred Langford were commended for installing the security doors at the Police Department with minimal cost to the City.

With the checks being re-written and a tally of the cash lost from the burglary, an approximate total of \$5,000 was the final balance lost. The new policies implemented include processing payments on the same day received with a cut off of 3pm. All remaining funds are taken to the bank for safe keeping to be processed the next business day. Payment stations will be installed for each window at City Hall where each clerk will be responsible for their own processing. City Manager John Moran spoke with our auditors regarding a cashless environment where citizens would pay by check, money order or credit card. The problem with cash is that it is not traceable; however this will be brought to the Council at a later time.

No further action was taken on this matter.

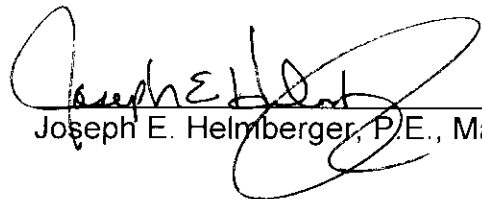
#### REQUEST TO PLACE ITEMS ON FUTURE AGENDAS

- Fred Langford requested the Council consider prohibiting more than two families living in a single family dwelling.
- Jim Foy requested the Council to consider a commercial recycling rate.
- Jim Foy requested the Council to consider a budget amendment of \$148,000 from the Electric Fund recovery.
- Mayor Helmberger requested the Council to consider the charges for the LED lights.

#### ADJOURNMENT

Council adjourned at 9:02p.m.

APPROVED

  
Joseph E. Helmberger, P.E., Mayor

ATTEST

  
Edie Sims, City Secretary

