

FARMERSVILLE CITY COUNCIL
MEETING MINUTES
August 15, 2011

The Farmersville City Council met in called special called session on August 15, 2011 at 6:00 p.m. in the Council Chamber at City Hall with the following members present: Mayor Joe Helmberger, Paul Kelly, Billy Long, Russell Chandler and Jim Foy. Staff members present were Police Chief Mike Sullivan, Public Works Director Ben White, City Attorney Alan Lathrom, Fire Chief Kim Morris, Finance Director Daphne Hamlin and City Secretary Edie Sims. Absent was Pansy Hundley.

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.

WORKSHOP – BUDGET WORKSHOP FOR FISCAL YEAR 2011-2012

City Manager John Moran began the discussion by stating the expense increases are listed on the included summary; however Council will need to trim just under \$50,000. The projected loss is expected to be \$150,000 which could shift causing reserves to drop below the 90 day requirement. Jim Foy questioned the policy of a 90 day reserve with City Manager John Moran informing that this policy has a direct influence on our bond rating. Presently the bond rating has improved from BBB to A. Mr. Foy expressed concern of striking projects to fulfill a self imposed 90 day restriction per City of Farmersville's Resolution # 2006-32. Paul Kelly suggested we reduce the 90 day restriction. Mr. Foy stated the reserve was put in place to save during growth years and be prepared for years of decline. This should not be looked at as an absolute. Based on the electrical management fee, the City is anticipating \$670,000 income. Mr. Moran expressed concern of budgeting more than \$670,000 since it will not be supported. If additional funds arise, a budget amendment can be submitted to the Council for approval. The contract with Sharyland Utilities has not been finalized and Mr. Moran was concerned not to budget as conservatively as possible until final numbers are revealed. Mr. Moran also stated he is in favor of the projects as requested by Council, but is concerned of the economic standing of the City. Mayor Helmberger stated he wanted to see a raise or bonus for all employees. Mr. Moran suggested the Longevity Pay and gives more recognition to those who have been employed with the City for a long period of time.

Mayor Helmberger stated significant progress had been made at the Spain Athletic Complex and does not want to see this work diminished. Public Works Director Ben White stated \$30,000 has been assigned for regular maintenance items.

City Manager John Moran offered to counsel the Council to improve the bond rating. The bond rating is very important in attaining a loan for streets. The bond rating will also make it easier to attain the loan and get a cheaper interest rate for repayment. The goal is to bump up the rating again next year to a higher level.

Jim Foy maintained he would like to leave the budget as is until after the meeting with Sharyland on August 19th. Since the contract for electricity is the main challenge to

see what funding will come to the City, the final negotiation meeting on August 19th with Sharyland will provide the information needed to complete the budget process.

UPDATE ON THE WATER DROUGHT CONTINGENCY STAGE 2 AND DISCUSSION AND POSSIBLE DIRECTION REGARDING POTENTIALLY IMPACTED CITY FACILITIES AND SERVICES

Public Works Director Ben White provided a water usage charge showing the usage by gallons. There is not a clear indication to close the Splash Pad at this time. Council discussed changing the times that the Splash Pad is open. Jim Foy stated he saw the water contingency policy but contends that each City has a separate plan to operate from to dictate how water is to be conserved. City Manager John Moran stated North Texas Municipal Water District would like for us to close the Splash Pad. Between now and Labor Day when the Splash Pad is closed for the season, Council concurred to close the facility Tuesdays, Wednesdays and Thursdays and have the facility open Friday through Monday. No formal action was taken by the Council.

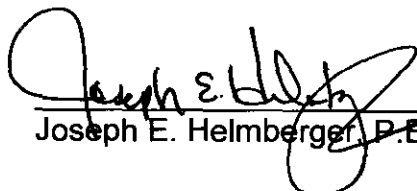
RATIFICATION OF LETTER AGREEMENT EXTENDING CONTRACT WITH SHARYLAND FOR OPERATION AND MANAGEMENT OF FARMERSVILLE'S MUNICIPALLY OWNED ELECTRIC UTILITY THROUGH SEPTEMBER 30, 2011

The existing contract with Sharyland Utilities was scheduled to expire on August 12, 2011. City Manager John Moran signed a letter agreeing to delay the termination of the Operating and Maintenance Agreement with Sharyland until September 30, 2011. Mr. Moran requested the Council to ratify the execution of this letter. Paul Kelly motioned to ratify said letter with Russell Chandler seconding the motion. A poll of the Council was taken as follows: Paul Kelly yes, Billy Long yes and Jim Foy yes. Motion passed with full Council approval.

ADJOURNMENT

Council adjourned at 7:40p.m.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST



Edie Sims, City Secretary

