

FARMERSVILLE CITY COUNCIL  
MEETING MINUTES  
August 2, 2011

The Farmersville City Council met in called regularly called session on August 2, 2011 at 6:00 p.m. in the Council Chamber at City Hall with the following members present: Mayor Joe Helmberger, Pansy Hundley, Paul Kelly, Billy Long and Jim Foy. Staff members present were Police Chief Mike Sullivan, Public Works Director Ben White, Fire Chief Kim Morris, Finance Director Daphne Hamlin 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. Mayor Helmberger welcomed all guests and visitors.

City Manager John Moran came before the Council to announce that we are under Stage 2 of the Drought Contingency Plan under the authority of North Texas Municipal Water District. A drought has been declared thereby instituting Stage 2 which prohibits outdoor watering from 10am – 6pm. Mr. Moran stated he will be shutting down the Splash Pad. Jim Foy asked to have this for a topic of discussion at the next meeting.

Mayor Helmberger wished Wyndi Viegel, Farmersville Times Journalist, a Happy Birthday.

WORKSHOP – BUDGET WORKSHOP FOR FISCAL YEAR 2011-2012

Mayor Helmberger opened the Budget Workshop to City Manager John Moran who presented a summary as Budget Officer to the Council. Mr. Moran started off informing the Council that he has cut all expenditures to the bone. Austerity measures have been put into place. Two major expenditures are still outstanding which could have a bearing on the budget: 1) property insurance rates – figures have not been reported to the City as of yet; 2) the contract with Sharyland is still outstanding, but this contract is not expected to be fully resolved until September. Extra funds are hopeful and in that case a budget amendment will be presented to the Council for those funds.

Mayor Helmberger questioned the solid waste contract and the inclusion of franchise fees. This contract is not finalized, but according to City Manager John Moran, the franchise fees will be included in the contract which is expected to be in place by October 1, 2011. A budget amendment may need to be presented to the Council regarding the placement of the funds received via franchise fees.

Mr. Moran also included in the revenues the water rate increase. The rates will be reviewed annually and the Council will be advised how the rates are measuring with the budget. Recalling to the Council, \$300,000 was taken out of reserves to assist the citizens with the rate increase. Some salaries have been reallocated to the water and wastewater departments including the Finance Director.

Legal fees were trimmed to \$98,000. Legal council was also used during the electric system contracting process as well as substandard dwelling issues with Code Enforcement. The Police Department has had a large amount of public information

requests which has also required use of our City Attorney. Much of the attorney expenditures have been due to projects approved by the Council, per City Manager John Moran. Those projects have included the codification of ordinances, contracts with Collin College, and other ordinances changing the direction the City is taking on several issues and other contracts relevant to conducting City business.

Mr. Moran spoke of the Equipment Replacement Fund and how this fund will allow purchases of equipment to be paid for in the future by making a savings and designating funds for specific equipment. Last year's budget included the Equipment Replacement Fund, however the following items were pushed back to this year: portable radios and computers and software for the Police Department and headset equipment and a fire truck for the Fire Department. Mr. Moran stated until we have development to subsidize these needed assets, we must save on a schedule and allot funds accordingly.

Mayor Helmberger returned the topic to the legal fees concerned that the Municipal Court legal staff is included in the projected budget with Finance Director Daphne Hamlin confirming that the fees for the Municipal Judge and Prosecutor are included with the legal fees in the budget. A letter from City Attorney Alan Lathrom was sent to each Council member with details of his charges. Mr. Lathrom stated that he could reduce some costs by having City staff prepare more of the work, such as ordinances, and he make recommendations or alterations. City Manager John Moran stated this has been a normal practice. Mayor Helmberger stated he has polled other cities and found that 4% of the budget is normal for attorney fees and we are in line with other cities costs. Mr. Moran encouraged the continuation of the same use of the attorney. Questions were raised about the attorney reviewing the agendas with Mr. Moran stating it is within the City's best interest to have the agendas reviewed and confirmed meeting the Open Meetings Act. The current budget is less than \$110,000 for attorney fees throughout all departments. Jim Foy asked if the legal department at TML is being actively pursued for legal advice with Mr. Moran confirming that TML Legal is used quite a lot. Mr. Moran stated he puts together ordinances and sends to Mr. Lathrom to confirm legalities. Our City Attorney has a retainer cost for 2 meetings per month for \$1,000. When his services are required, such as the upcoming Building and Property Standards meeting, an additional cost will be charged. Condemnations are another critical topic where legal consultation is required. The Police Department is also working on several administrative search warrants for code issues. Per Mr. Moran, the code issues do not include citations issued for code violations. Mr. Moran stated in the future the Council may wish to charge for a Certificate of Occupancy on an annual basis for rental property to ensure those properties stay within code. Mayor Helmberger questioned if we could cut the attorney cost 25% during this next year's budget. City Manager John Moran expressed concern saying the reason for the attorney fees is to ensure the legal safety of the City, and does not recommend but will cut if directed. Mr. Moran also informed the Council that more development agreements are on the horizon which will require the attorney's expertise.

The Council changed topics to other income including plats. Ben White, Public Works Director, informed the Council that all fees incurred during the recent platting with Farmersville Market Center will be reflected when reimbursed. Part of those fees will be

charged to the property owner/engineer after the City receives all invoices from the City Engineer for his services on this project.

City Manager John Moran informed the Council that financial changes that occur will require budget amendments and a budget amendment will need to be presented to the Council for this year's budget as well. A budget amendment will be required for each time funds are moved into other department funds.

Mayor Helmberger stated he wanted to find a way to pay a full time Fire Chief. Pansy Hundley stated that the City has not spent as much on attorney fees before and felt our size of City should not require as much legal fees. Ms. Hundley asked for a list of attorney fees in the past.

Sales tax was the next topic discussed with Jim Foy questioning why the same income figure as last year was reported for this year when the State Comptroller is reporting us 9% ahead of last year. City Manager John Moran and Finance Director Daphne Hamlin stated this figure is very conservative. Mr. Foy requested the Council consider placing \$266,000 as income from sales tax and still feels this is conservative.

The upcoming budget reflects \$70,000 as income for the Municipal Court. The warrant collections was expected to increase, but has not. Mr. Moran stated the best time for collections is January – April when people receive their tax returns. Billy Long stated it is hard to gage how income will flow on warrants.

Regarding the mowing contract with Kansas City Southern Railroad, the income and expense should be a wash. Ben White stated this fund should show an increase of funds in the Public Works Budget. This is a normal operation for the City to mow around the railroad areas with the KCS refunding our costs. Ben White stated he is trying to get the City out of the mowing business. The contract with KCS Railroad has not been negotiated.

Jim Foy brought to the attention of the Council the \$511,000 forecast for the electric fund. The electric contract shows the income for the electric to be \$670,000 opposed to \$530,000; therefore we should be able to forecast \$100,000 more. City Manager John Moran stated an electric rate study must be performed which will come out of this fund. Mr. Moran also stated that the accumulated balance needs to be for system improvements. Jim Foy stated a proposed increase will cover costs of improvements over a 5 year plan.

Jim Foy discussed the unrestricted funds that have been presented to the Council at a recent meeting. Ben White stated that the Parks and Recreation Board has approved and dedicated \$1,100 for a comprehensive plan for the Spain Athletic Complex. The other General Fund reserves include a savings for future purchases and by the end of this year 79 days of operations will be remaining. By previous Council Resolution, we are mandated to have 90 days worth of operating funds. If the budget remains as presented, 87 days will be in reserves for next year. City Manager stated the current budget year is facing a shortage due to downed revenues. Franchise fees are down and the intent was to be very conservative for this income line item.

For the Equipment Replacement Fund, Police Chief Mike Sullivan spoke of purchasing an SUV since Ford will not be making the Crown Victoria typically used for police cars. The SUV's will be more all-purpose and be used for other things.

Paul Kelly clarified that the goal of the Council for the Budget Year 2011-2012 was to place the two Public Works employees to full time status with benefits, hire one Public Safety Clerk and hire a full time Fire Chief. Jim Foy stated the City has a big problem with streets and \$50,000 budgeted for streets will do nothing more than patch. Jim Foy also stated that the Council needs information to decide how much funds will need to go out for a bond to rebuild new streets. If we keep the current amount, the streets will stay in the same condition of disrepair. Paul Kelly was informed that the Chip and Seal program through Collin County Public Works is still available; however this program will not solve the problems we are currently faced with. Questions were raised as to the cost to make the repairs yet the answer remained that the available funds are just not enough to cover the need. Ben White, Public Works Director, stated he will make the \$50,000 as budgeted go as far as he can.

The Budget Workshop continued with talks of personnel requests. Currently two Public Works employees are working full time yet do not have full time status and benefits. The cost to give benefits to these employees and change their status to full time will be approximately \$20,000. Paul Kelly asked what benefit the City would have by changing the status and providing benefits to these employees. The answer was that this is a violation and must be corrected. The Police Department has requested a new full time position - Public Safety Secretary. This position will cost approximately \$32,000. Per Police Chief Mike Sullivan, the Police Department has a large amount of reporting, scanning of old documents, clerical work and a large amount of foot traffic at the Police Station. Paul Kelly asked if a summer program using a High School student or College student might work rather than hiring someone. Chief Sullivan expressed concern using this method of hire as he stated much of the Police Departments documents are sensitive and would therefore limit what could be done. Mayor Helmberger has requested to change the status of our part time Fire Chief to full time with a cost of \$65,000. Paul Kelly wanted to make sure the Police Department Clerk and full time position of the Fire Chief are justified and can be continued in future budgets. Questions were raised as to what other cities have regarding full time Fire Chiefs. Chief Morris stated that Princeton has a full time Fire Marshal; Melissa, Anna and Prosper have full time Fire Chiefs. With hiring a full time Fire Chief, Kim Morris stated it would help with the ISO study to help lower homeowner's insurance. With the growth in the district, volunteers are getting burn-out. The call volume last year was 800 and Farmersville has the largest fire district in Collin County. Mayor Helmberger stated that with the South Main Bridge being resolved within the next two years, there will be a higher volume of truck traffic along Highway 380. Chief Morris stated there has also been an increase of structure fires recently. The County does fund run money, however Collin County Commissioner's did not raise the cost from last year.

Mayor Helmberger stated he would like to see a 2% salary increase for all employees across the board. The cost for this increase would be \$24,000.

Jim Foy stated he has calculated an approximate income increase as follows: Sales Tax income = \$14,000; Mowing contract for KCS Railroad = \$12,000; Additional funds from the Electric contract = \$100,000. Mr. Foy stated the Council could delay the \$40,000 purchase of a police car which would allow \$20,000 for the Public Works employees to full time status; the Public Safety Clerk and full time Fire Chief. Mr. Foy calculated this from increasing the sales tax to 9% per the State Comptroller's

projections. The mowing contract with Kansas City Southern Railroad has historically produced \$12,000 which was not included in the budget projections. The additional funds were calculated from the anticipated contract with Sharyland to continue being our electric service provider.

Jim Foy stated very few companies are offering raises and most are cutting benefits. The City pays 100% of the employees insurance plus allow \$1,440 annually for other medical costs. Mr. Foy stated the City has outstanding insurance benefits. Paul Kelly stated if a pay increase is not allotted, then the Council should consider longevity pay or have a one-time bonus.

City Manager John Moran stated he was very conservative on the revenues. The Electric contract will generate more income, but the final figure has not been presented.

Police Chief Mike Sullivan came before the Council to address the needs of the Police Department. Chief Sullivan stated that one of the police squad cars has 110,000 miles and needs the transmission replaced. A Dodge Charger squad car has over 100,000 miles that he felt should have not been purchased. Chief Sullivan agreed that purchasing a Chevrolet Tahoe or similar SUV is more expensive but lasts much longer. Chief Sullivan reported that 1/2 the police squad car fleet is getting up in mileage. The opinion of keeping each car to reach 150,000 miles is not in the best interest of the fleet. The vehicles, per Chief Sullivan, should be rotated out every 3 years at 88-100,000 miles. Two cars are separated by two shifts. Chief Sullivan has instructed his officers to turn off the air-conditioning when not in the vehicle.

On the same note, the police car is not being paid for by the Farmersville ISD which is being used by the School Resource Officer. The school has been in an agreement with the City for a School Resource Officer and was determined last year to not charge for vehicle use for one year. Chief Sullivan asked the Council to consider not charging the school for another year.

Jim Foy discussed the Library Fund stating that State deleted \$4,500 salary for the part time personnel at the Library. City Manager John Moran stated the shortfall has been included in the budget of \$4,500 so that this position would still be funded.

Regarding the Effective Tax Rate, Mayor Helmberger stated the Council could choose to go to the rollback rate which would bring an additional \$41,266 whereas the Effective Tax Rate + 3% would bring \$20,287 additional funds. Jim Foy stated he is opposed to more than a 3% increase. John Moran stated the 3% increase would be compensation for the municipal inflation. Mayor Helmberger asked to have reasonable numbers brought back for the budget to include a 2% raise for employees. Jim Foy Stated he would like to have funding placed in the Parks and Recreation Department. Mayor Helmberger was clear that any funds left over needed to be placed in the Street Department.

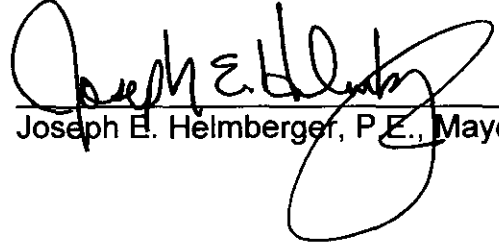
#### REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS

No items were requested for future agendas.

#### ADJOURNMENT

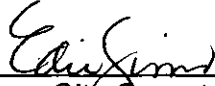
Council adjourned at 7:40p.m.

APPROVED



Joseph E. Helmberger, P.E., Mayor

ATTEST

  
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Edie Sims, City Secretary