

FARMERSVILLE CITY COUNCIL

MEETING MINUTES

April 8, 2014

The Farmersville City Council met in regular session on April 8, 2014 at 6:00pm in the Council Chambers at City Hall with the following members present: Mayor Helmberger, John Klostermann, Michael Hesse and Jim Foy. Council members absent were Michael Carr and Russell Chandler. Staff members present were City Manager Ben White, Police Chief Mike Sullivan, Fire Chief Kim Morris, City Attorney Alan Lathrom, Finance Director Daphne Hamlin, Assistant to the City Manager Paula Jackson, Warrant Officer Rick Ranspot, Librarian Trisha Dowell, Farmersville Electric General Foreman Brad Price, Journeyman/Lineman Jeremy Jones, Lineman Apprentice Travis Shannon 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. Paul Kelly offered the invocation with Mayor Helmberger leading the audience in the Pledge of Allegiance to the American Flag and the Texas Flag.

During the announcement section, Mayor Helmberger read recognized volunteers for their service and read a proclamation proclaiming April 6 through April 12, 2014 as National Volunteer Week.

Mayor Helmberger also recognized April 2014 as National Safe Digging Month by reading a proclamation.

An announcement was read regarding the new Executive Director of North Texas Municipal Water District as Brigadier General Thomas W. Kula who will be taking his new position on May 1, 2014.

Mayor Helmberger also announced the Chamber Banquet to be held on May 3rd and will be located at the Emerald Ballroom behind Landon's Winery, 2508 Lee Street, Greenville, Texas.

City Manager Ben White introduced the employees for Farmersville Electric including General Foreman Brad Price, Journeyman/Lineman Jeremy Jones, and Lineman Apprentice Travis Shannon.

Item II) CONSENT AGENDA

Mayor Helmberger requested Items H – Public Works Report and J – City Manager's Report. Council did not have other items to be withdrawn for discussion. Michael Hesse motioned to approve Items A, B, C, D, E, F, G, and I with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

Item H – Public Works Report: Mayor Helmberger questioned if the chipping of brush from the ice storm was complete. City Manager Ben White informed the Council the chipping is near completion with a few piles of brush left to date. As of last Thursday, April 3, 2014, there were reports of a tornado in Farmersville; however it was

later discovered that a microburst created damage including downed tree limbs and damage to roofs and fences. This damage was not City wide as the ice storm, but significant the same. The majority of the damage occurred behind the Junior High School and eastward to Lincoln Heights and the Aston Estates subdivisions.

Council discussed if chipping should continue to remove the brush from the microburst incident. Mr. White indicated if Progressive Waste were to dispose of the limbs for the City, the charges are \$200 per hour for 5 days, approximately \$10,000. With this recent storm, it could take up to 10 days, this cost includes the removal of large tree stumps. Jim Foy stated the City is not responsible to remove trees from the property inside the right-of-way. The Council concurred to complete the chipping from the ice storm and not to remove brush due to the microburst, but have citizens make arrangements for the removal directly. John Klostermann motioned to approve the Public Works Report as presented with Michael Hesse seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

Item J – City Manager’s Report: Mayor Helmberger questioned who has a contract with the City on the South tower. City Manager Ben White indicated one broadband user on all the towers and other users on the South tower are T-Mobile and AT&T. Currently the City is working with Wi-Five Broadband, Rhino Communications and Tier-One to utilize space on the City’s water towers. Mayor Helmberger recalled the Council discussing contracts with Wi-Five Broadband and Rhino Communications. City Secretary Edie Sims informed the Council we are awaiting the final revised contract from Rhino which was approved by City Council at the last meeting.

Item III) INFORMATIONAL ITEMS

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

ITEM IV – A) SECOND READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE AMENDING CHAPTER 74, ENTITLED “UTILITIES,” OF THE FARMERSVILLE CODE OF ORDINANCES BY AMENDING THE TITLE OF ARTICLE II TO READ “WATER, SEWER AND ELECTRICAL CHARGES,” BY AMENDING SECTIONS 74-79 THROUGH 74-81, AND BY ADOPTING A NEW SECTION 74-94 AND A NEW SECTION 74-95, ALL OF WHICH AMENDMENTS ARE RELATED TO THE CITY’S MAINTENANCE AND OPERATION OF THE CITY’S ELECTRIC UTILITY

Mayor Helmberger stated Council approved the ordinance at the first reading with revisions. The revisions have been made and the calculated formula regarding the Power Cost Adjustment was clarified. The fees have been taken out of this ordinance and placed in the Master Fee Schedule, which is another agenda item to be discussed. Jim Foy motioned to approve the ordinance as presented with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM IV – B) SECOND READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE TO AMEND THE MASTER FEE SCHEDULE REGARDING ELECTRIC SERVICE FEES

City Attorney Alan Lathrom reconfigured the ordinance to include Sections 2.1 Water and Electric Service Initiation Fees and Section 2.8 Electric Service Rates which now match the ordinance. Michael Hesse motioned to approve the ordinance as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM IV – C) FIRST READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE DESIGNATING A REINVESTMENT ZONE FOR COMMERCIAL/INDUSTRIAL BUSINESSES

With no discussion from the Council, Jim Foy motioned to approve the first reading of the ordinance designating Tax Abatement Zone #1 with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes, and Jim Foy yes. Motion passed with full Council approval.

ITEM IV – D) ONLY READING – CONSIDER, DISCUSS AND ACT UPON A BUDGET ORDINANCE TO PURCHASE VACUUM EXCAVATION EQUIPMENT

City Manager Ben White informed the Council of the recent request to purchase vacuum excavation equipment. The need lies heavily with the Electric Department; however this equipment can be utilized by the Water and Wastewater Departments. The equipment uses pressurized water to make a hole while at the same time removing excess dirt. The Electric Department will utilize this machine to straighten light poles. This machine can also function to precisely locate water lines. When holes are dug for light poles, the poles can be backfilled with foam to hold the pole in place. The cost of renting this type of machine was researched and found renting for 3 months would cost \$16,500 and purchasing the equipment will cost \$40,000. Mr. White stated he is seeking approval to purchase this equipment through the Sewer Fund. There is presently a positive cash flow of \$100,000.

Mayor Helmberger expressed concern of purchasing this equipment at this time as we are approaching the budget cycle for this upcoming year's budget. Mayor Helmberger stated he would prefer waiting and properly budget this item in next year's budget. Mayor Helmberger also stated he is not overly opposed to the purchase; it is just a timing factor. Michael Hesse stated the pole straightening is very important to him and would rather wait until the next budget to make this expenditure. We have waited this long not having this equipment and we can essentially wait another six months.

Jim Foy expressed the need to move forward with this equipment due to the opportune weather to use this equipment. General Foreman Brad Price spoke up and informed the Council that pole straightening would not be the sole use of the equipment. During an emergency, there is not always time to wait for 811 to mark underground utilities. This equipment will allow underground utilities to be located more efficiently.

Mr. Price added during his tenure with Garland Power & Light, he used this machine daily and the equipment is worth its weight in gold.

Jim Foy motioned to approve the budget amendment to purchase the equipment and utilize it promptly with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – A) CONSIDER, DISCUSS AND ACT UPON APPOINTING A DIRECTOR TO THE NORTH TEXAS MUNICIPAL WATER DISTRICT BOARD FOR THE 2014-2016 TERM OF OFFICE

Mayor Helmberger opened this topic to declare he would like to visit with Bill Harrison about his reappointment to the NTMWD Board of Directors. City Secretary Edie Sims reported Mr. Harrison has agreed to serve on the Board of Directors and will gladly come before the Council and report on a quarterly basis. With this information, Jim Foy motioned to approve Bill Harrison's reappointment to the NTMWD Board of Directors with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – B) RECEIVE, DISCUSS AND ACT UPON ANNUAL REPORT FROM COMMUNITY WASTE DISPOSAL (CWD)

Robert Medigovich, Municipal Coordinator for Community Waste Disposal, came before the Council with a presentation of the 2013 Annual Report. During the service year 2013, 15 issues were brought to CWD's attention which was addressed. There were no accidents, property claims, reckless driving or conduct complaints during this past year. CWD has partnered with the City of Farmersville on a number of events including the Chamber of Commerce Banquet, Old Time Saturday, Sparks of Freedom and the Annual Christmas Parade. Farmersville residents recycled 178 tons of recyclable materials which equates to approximately 30 pounds per household. By doing so, 1,999 trees were saved, 482,037 kilowatt hours of electricity were saved, 44,677 gallons of oil was saved and 822,990 gallons of water was saved. CWD also offers recycling of electronics, household hazardous waste and will report a cost of this service to the City Manager. Mayor Helmberger received a commemorative award from CWD. No further action was taken by the Council.

ITEM V – C) RECEIVE, DISCUSS AND ACT UPON AUDIT FOR 2012-2013

Robert Lake, CPA for Rutherford, Taylor & Company, spoke to the Council regarding the Fiscal Year 2012-2013 Audit. In the opinion of the Independent Auditor's Report, there were no deficiencies or compliance issues to be addressed. Referencing page 12 of the audit report, Mr. Lake stated depreciation is a big component and is expected with city financials. The bond refunding receivables doubled to \$400,000 due to grants. Mr. Lake informed the Council staff will not hold a grant until completed to request funds and will request reimbursements immediately during the grant process to keep this figure lower. The City's combined net assets were \$8,472,612 as of September 20, 2013. Streets are capital assets and depreciated which will reduce the

valuation of the City which is expected. Overall the City's net position is very good. Mr. Lake explained the "Component Units" referred to the 4A and 4B funds which are audited through the City, but separately.

Fines and warrants are attributed to the Allowance for Uncollectibles. There were no changes of consequence regarding the Proprietary Funds which include the water/wastewater utility, electric utility and refuse utility. Jim Foy questioned if the PCRFR (Power Cost Recovery Factor) would be reflected with the reply being no. The PCRFR will be trued-up in June of 2014. The Power Cost Adjustment (PCA) will be an asset to the audit during next year's Fiscal Year.

On page 35 of the audit report, a schedule reflects the specific fund balance classification by fund which includes the debt retirement, capital projects, law officer training, Court security and technology, Library donations and Community Development restricted funds. This schedule also reflects the committed funds for the SRO Officer, Police seized funds and special projects; altogether totaling 2,582,966.

Jim Foy questioned if the projected investment return rate for the pension plan is realistic with Mr. Lake responding he used information directly from TMRS (Texas Municipal Retirement System) and the City does not set the investment rates.

Mr. Lake indicated the Budgetary Comparison Schedule reflects the City to be financially healthy. Pages 51 and 52 of the audit report give a more detailed picture of 4A and 4B's finances and reflect a positive impact.

City Manager Ben White stated he had received a list from Robert Lake in the past and the City has greatly improved on those specific tasks to help make our financial processes operate more efficiently. With that stated, cash reconciliations are less than \$200 difference which is a great improvement. The only notation for this year's audit would be the grant reimbursements. There are some unused accounts that need eliminating but overall the City is going in the right direction. Mr. Lake noted the software enhancements will also make the City's finances more efficient. Taking over the electric utility is a big step and trusts that all will go well.

Jim Foy commended Ben White and City Staff for a clean report. Jim Foy motioned to approve the audit report with corrections of names and typos. John Klostermann seconded the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – D) CONSIDER, DISCUSS AND ACT UPON A MUTUAL AID AGREEMENT BETWEEN THE CITY OF GARLAND/GARLAND POWER AND LIGHT AND THE CITY OF FARMERSVILLE

The Mutual Aid Agreement has been utilized by the City of Garland and reviewed by City Attorney Alan Lathrom. With no changes to be made to the agreement, John Klostermann motioned to approve the agreement as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – E) CONSIDER, DISCUSS AND ACT UPON A CONTRACT WITH FARMERSVILLE LITTLE LEAGUE BASEBALL

With no changes to be made to the agreement, Michael Hesse motioned to approve the contract with the Farmersville Little League Baseball as presented with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – F) CONSIDER, DISCUSS AND ACT UPON PERSONNEL SAFETY FOR EMPLOYEES

Per a request from Councilman Carr, this item was placed on the agenda for the Council to discuss. City Manager Ben White indicated the Personnel Policy does have a statement regarding safety; however it is not sufficient. Mr. Carr had previously expressed concern regarding the Public Works Department and having the correct safety equipment including glasses, ear protection, footwear, etc. Mr. White stated he will reevaluate and take corrective measures. One thing that was brought to his attention is the tan colored shirts the Public Works Department wears. They are not visible. Mr. White is investigating shirts that have reflective striping. Training classes must also be a part of the job. Time has not been allotted for this, but training will be restored to a regular routine for Public Works.

Mr. White indicated the Electric Department has a robust amount of training and will continue every measure of training for safety. During daily meetings with Public Works, safety will be a part of the meeting and he will start documenting that information. Jim Foy questioned trenching safety. OSHA standards prevail and are adhered to, but will emphasize those safety procedures regularly. Mr. White stated the City needs to attain gear for terracing. Trench safety has improved since hiring Nick Miller. No action was taken by the Council.

ITEM V – G) CONSIDER, DISCUSS AND ACT UPON A RESOLUTION REGARDING A PERSONAL TOOL POLICY

City Manager Ben White informed the Council the personal tool policy follows the same line as the Rifle Program implemented for the Police Department. The cost of an Apprentice/Lineman climbing gear ranges between \$2,500 to \$3,000. Typically the Apprentice must purchase this gear as it is specific to the individual.

John Klostermann stated he does not see a difference between this program and the Rifle Program for the Police Department. Jim Foy stated he is comfortable with the program as it is written. Jim Foy motioned to approve the Resolution as presented with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – H) CONSIDER, DISCUSS AND ACT UPON REQUESTING THE PLANNING AND ZONING COMMISSION CREATE AN ORDINANCE TO RESOLVE ISSUES RELATED TO ITEMS BEING PLACED ON AND/OR NEAR THE PUBLIC RIGHT-OF-WAY

Police Chief Mike Sullivan was asked to resolve dumpsters needing to be moved out of the City's right-of-way. The City does not have definitive lines of what is acceptable to enforce if inside the right-of-way. New construction is very clear regarding dumpsters and having them enclosed and the setbacks for servicing the dumpsters; but existing establishments do not fall under these rules. City Attorney suggested having the ordinance changed to cover all uses, not just new construction. Council concurred to submit a request to the Planning and Zoning Commission to address this concern.

ITEM V – I) CONSIDER, DISCUSS AND ACT UPON ISSUES SURROUNDING VAPOR SHOPS

Councilman Foy requested this item be discussed by the Council as vapor shops are springing up all over the place. We currently do not have a category for this type of business in our Zoning Ordinance. The State does not have any regulations for vapor shops and the Legislature will not meet for another year to implement regulations. Several cities are passing an ordinance regulating the sales from these shops regarding minors.

Other cities are addressing the vapor shops differently including Mansfield who has a moratorium in place; Murphy prohibits the sales to minors; Richardson requires an SUP for an e-cig shop to be allowed; other cities are looking into options. Presently there are no regulations or data of the safety or hazards of using this form of nicotine. Jim Foy requested the Council become more familiar and discuss at the next meeting. Mr. Foy suggested research be done to see what other cities in our area are doing regarding this issue.

ITEM V – J) CONSIDER, DISCUSS AND ACT UPON THE CURRENT DROUGHT CONDITIONS AND STAGE 3 WATER REQUIREMENTS ACCORDING TO THE WATER MANAGEMENT PLAN

North Texas Municipal Water District issued a recent News Release stating that Stage 3 water restrictions will be continued and landscape watering will be allowed once every two weeks during the month of April. NTMWD will be monitoring the water levels closely and will make month to month extensions based on any changes to the drought conditions.

City Manager Ben White stated the only issue he is aware of is the signage informing the public of the changing drought conditions. Mr. White has been working with TxDOT and requested to post drought condition signs on the population signs coming/going into/out of the City.

Mr. White also informed the Council the City is the best conservationists with water as our per capita is way below other cities so we have not passed our Take-or-Pay amount.

Jim Foy stated signage could be installed at other locations including McKinney Street, Brookshire's, and intersections of Highway 78. No action was taken by the Council.

ITEM V – K) CONSIDER, DISCUSS AND ACT UPON ITEMS RELATED TO EMERGENCY PREPAREDNESS

City Manager Ben White recalled two emergency incidents during this budget year, the ice storm in December and the tornadic micro-burst in April. During both incidents, the only generator at the Public Safety Building cannot keep up with the demand. During an emergency situation, the generators are imperative to the Command Center's operations to ensure safety and welfare of our citizens.

Police Chief Mike Sullivan stated the Command Center should be located at City Hall to provide the ability and area for emergency tactics. The problem with this situation that is written in our Emergency Management Plan is that City Hall does not have a powerful enough generator. Quotes have been attained from Kaiser Electric, Inc. To properly fit the needs of the Public Safety Building, the cost would be \$30,000; a portable generator at the Public Works Department would cost \$25,000; to have a generator installed at City Hall would cost \$22,000. To have the proper generators installed with switches would require a budget amendment of \$72,500. Cash reserves would be used if the Council approved this expenditure.

Chief Sullivan stated we are coming into tornado season and need the right equipment to do the job. Unfortunately, these types of generators are very specific and must be built to specifications and therefore typically take 30-60 days to build. Jim Foy motioned to present a budget amendment at the next meeting. John Klostermann seconded the motion. A poll of the Council was taken as follows: John Klostermann yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM V – L) UPDATE ON STREET GENERAL OBLIGATION BOND PROJECTS

City Manager Ben White gave an update regarding the street projects and stated the contractors are working on Central Street now and will continue the paving of Westgate next week. The work is progressing smoothly.

ITEM V – M) UPDATE ON WATER/WASTEWATER GENERAL OBLIGATION BOND PROJECTS

City Manager Ben White informed the Council the contractor is expected to begin work on the 12" water line project this week.

ITEM V – N) UPDATE ON SAFE ROUTES TO SCHOOL PROJECT

Phase 2 of the Safe Routes to School project is continuing with some stone work being done on the retaining walls. Work is right on schedule.

ITEM V – O) UPDATE ON CHAPARRAL TRAIL PROJECTS

Phase 3 of the Chaparral Trail will be going out for bids as drawings of the project have been completed according to City Manager Ben White.

ITEM V – P) UPDATE ON FARMERSVILLE ELECTRIC

City Manager Ben White reported Farmersville Electric has received two bucket trucks, one 1/2-ton truck for the on call employee, one 3/4-ton truck for the Foreman, and a digger truck. Three employees have been hired and have been working in preparation of the utility take-over.

Transition documents with ERCOT are complete; on-line payment system is available to all or customers now. Two Tuff-Boxes are being ordered and Farmersville Electric has paperless service orders.

The City of Farmersville has reached a significant milestone through passing all the ordinances and policies. The Electric crew has already started lock change-outs on transformers and switch gear. Bids are being taken for the expansion of the Service Center. Jim Foy asked if the City has a test platform for the billing with Mr. White replying he calls it the "sandbox." All systems are go.

ITEM V – Q) UPDATE ON HIGHWAY 380 PROJECT

The Main Street Bridge is open! The south side of Highway 380 has a ramp opened for two-way traffic. The railroad is still working on their side. Significant progress has been made on the construction. Kansas City Southern needs approximately six weeks to move the railroad tracks.

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

No one requested items for future agendas.

ITEM VII) ADJOURNMENT

Council adjourned at 8:45pm.

APPROVED

ATTEST



Edie Sims, City Secretary



Joseph E. Helmberger, P.E., Mayor

