

FARMERSVILLE CITY COUNCIL

MEETING MINUTES

June 24, 2014

The Farmersville City Council met in regular session on June 24, 2014 at 6:00pm, in the Council Chambers at City Hall with the following members present: Mayor Helmberger, John Klostermann, John Politz, and Michael Hesse. Council members not present included 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, 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 and the Texas Flag.

Mayor Helmberger announced the Sparks of Freedom event at Southlake Park on July 4th, sponsored by the Farmersville Fire Department. Josephine Fire Department will host their annual fireworks display on July 3rd along with Princeton.

Mayor Helmberger voiced his appreciation for all those who helped with Audie Murphy Day.

Item II – A) FIRST READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE TO AMEND THE MASTER FEE SCHEDULE REGARDING 1) REFUSE/GARBAGE AND RECYCLE SERVICE TO BE EFFECTIVE 10/01/2014; 2) TRANSFER OF UTILITY SERVICE RATES; 3) UTILITY CONNECTION RATES; 4) UTILITY RECONNECTION FEES

City Manager Ben White began the conversation regarding an increase from Community Waste Disposal, the City's recycling provider. The increase covers costs for the curbside household hazardous waste (known as HHW). The fees presented are consistent with the proposal from CWD being \$0.50 above original charge. John Klostermann motioned to approve the ordinance as presented with John Politz seconding the motion. A poll of the council was taken as follows: John Klostermann yes, John Politz yes and Michael Hesse yes. Motion passed with full Council approval.

ITEM III – A) CONSIDER, DISCUSS AND ACT UPON CITY FINANCIAL REPORTS

Finance Director Daphne Hamlin came before the Council declaring the finances are on target with the budget for the General Fund. The Municipal Court is not far off the mark. Sales taxes are doing very well. City Manager Ben White announced th water sales are tracked better than last year even with expenditures up 10%. Mr. White stated he is trying to hold expenses down but purchases are necessary to continue operating the water system. Presently we are experiencing a leak under the East Water Tower. Water is available for emergencies only and there is enough fire flow. This could be related to ground shifting.

The Wastewater fund is doing very well at 66.2%. There is an issue with the Electric Fund revenues. A billing error was found and corrected. When current bills are

produced, a history will be created and will allow comparison to the prediction charts. A motion was made by Michael Hesse and seconded by John Politz to approve the financial report as presented. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes and Michael Hesse yes. Motion passed with full Council approval.

ITEM III – B) CONSIDER, DISCUSS AND ACT UPON A CONTRACT WITH K.W. BROWN CONSTRUCTION FOR THE SERVICE CENTER PROJECT

Mayor Helmberger recused himself from the following discussion. Michael Hesse conducted the next two items.

City Manager Ben White informed the Council of comments received from the City Attorney regarding the K.W. Brown contract. Daniel & Brown, Inc. submitted changes to K.W. Brown Construction with the first two items being considered for the structure and the slab of the Service Center, previously known as the Public Works Maintenance Barn. The cost for the two construction items equals \$78,000. The bid does not include work to be done on the Annex. An electrician will be hired, insulation will be installed and the Public Works Department will complete the remainder of the job. John Politz motioned to approve with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes and Michael Hesse yes. Motion passed with full Council approval.

ITEM III – C) CONSIDER, DISCUSS AND ACT UPON CITY A CHANGE ORDER REGARDING THE SERVICE CENTER PROJECT BY K.W. BROWN CONSTRUCTION

City Manager Ben White introduced a Change Order reducing the original bid K.W. Brown proposed for the Service Center Project from \$250,797 to \$78,798.72. The days to complete the project have been changed as well to accommodate the change of the job scope to 160 days. John Klostermann motioned to approve the change order with John Politz seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes and Michael Hesse yes. Motion passed with full Council approval.

Mayor Helmberger resumed his duties conducting the meeting.

ITEM III – D) UPDATE ON WATER, WASTEWATER AND STREET GENERAL OBLIGATION BOND PROJECTS

City Manager Ben White informed the Council of the Bond projects. The 12" water line installation on Sycamore Street is going forward. A lot of the line has been installed; however the interconnection with North Farmersville Water has not been completed. This portion of the project was delayed due to the water and wastewater installations on North Hamilton Street. Once the water and wastewater lines have been installed on North Hamilton, the Sycamore Street project will continue at that location.

The automated meter reading system (AMR) has another segment installed at the outer loop of Willow Brook. With exception of one meter, the west side of Highway 78 has automated meters installed. Pecan Creek subdivision and neighborhoods behind Gaddy Center are next on the list. Mr. White stated he hoped to have an automated meter reading system for the electrical utility by next year. A prototype is

being implemented and hopefully deployed in the near future. The water AMR system completion has been pushed back at least six months leading the completion to February 2015.

The street bond project report reflects updated dates of construction start dates and construction end dates. The contractor for the street overlay projects had issues with their sub-contractor which has been resolved. The same crew which is constructing the Safe Routes to School project, AXIS Contracting, has been hired to do the curb work for the street overlay bond projects. Presently, the recent check for Advanced Paving is being held until work is completed on Central and Westgate. Items needing completion include irrigation lines, and resetting from moving due to construction, settling behind the curbs and some curb replacement.

ITEM III – E) UPDATE ON SAFE ROUTES TO SCHOOL PROJECT

City Manager Ben White stated he has changed the status of the Safe Routes to School Project as substantially complete. Punch list items for phases I, II and III need completion. Phase V has not started as the project is awaiting the completion of the 12" water line project on Sycamore Street. The project is proceeding normally and is expected to be complete in July as planned. Mayor Helmberger stated a rail is not present on the headwall and vertical drops need to be installed especially at the Intermediate School. Mr. White will investigate.

ITEM III – F) UPDATE ON CHAPARRAL TRAIL PROJECTS

City Manager Ben White indicated a thorough audit of the Chaparral Trail projects concluded Phase I has approximately \$42,000 that may still be available from Texas Parks and Wildlife. Phase II of the project was funded through Collin County Open Space which shows substantially complete. Phase III has 75% of the documentation complete and being reviewed by the Mayor and City Manager. Phase III is also funded through Collin County Open Space grant funds which will include filling in areas that need completion, signage, tables for the picnic areas, bridges with improved railing, irrigation at picnic areas, fencing to close off areas and bollard replacements. A concern was raised regarding washout areas and how to repair in the future. Mr. White stated part of the grant is to install culverts which will alleviate washout problems in the future.

Mr. White proudly exclaimed our trail will be the "Cadillac" when completed. The Farmersville Community Development Corporation has paid to install kiosks along the Trail. The Farmersville Chamber of Commerce paid \$1,000 for trash cans to be installed along the Trail. Mr. White stated the new Gator purchased through Public Works from equipment sales has been a blessing. The tires do not leave marks and the dump bud has been very useful to carry decomposed granite for repairs.

ITEM III – G) UPDATE ON HIGHWAY 380 PROJECT

City Manager Ben White stated TxDOT closed Floyd Road and it continues to remain closed due to a culvert issue. It may be August before Floyd road is open for traffic. One item of concern is the electric line over Hill Street. Brad Price, with Farmersville Electric, has designed a method to save money and time. Kansas City

Southern railroad has agreed to pay \$22,000 to change the electric line from overhead to underground.

ITEM IV – A) BUDGET WORKSHOP: DISCUSS PROPOSED FISCAL YEAR BUDGET 2014-2015

City Financial Director Daphne Hamlin came before the Council with the revised 2013-2014 Budget and the proposed 2014-2015 Budget. The medical insurance increase and cost of living increase remains a total of 5% as previously presented. The Building & Property Standards Commission has requested \$16,000 to allow two (2) structures for demolition. All other proposed budget items remain the same as previously presented.

Presently, the sales tax revenues are a little under projection, but hope sales during July and August will increase the year-end balance. The General Fund has not changed since the last presentation on June 10, 2014.

Page 18 of the presentation reflects the indebtedness of the City. Ms. Hamlin proposed Option 2 which allows the property taxes to pay the bond indebtedness which frees the enterprise funds from transfers into the General Fund. Option 1 would continue using one-half the revenues of the enterprise funds to pay the indebtedness. With Option 1, the rollback tax rate would be passed to the taxpayers, while Option 2 would involve a tax increase which was originally planned per the bond election.

The Water and Wastewater personnel have been moved as requested from the June 10th meeting. By making said change, the water fund is now short \$120,000. The rate study will be redone which will help the decision to consider a rate increase which will help with the shortage. Mr. White stated it is good to consider the Water Department taking funding itself and the Wastewater Department funding itself. The Electric Fund was designed to make transfers to the General Fund. Page 28 reflects the revenues versus expenses in the Water Fund which reflects a deficit in both 2013-2014 Budget and 2014-2015 Budget. By following Option 2, Mr. White stated tax revenues will free the Water Fund and can balance the budget without transferring out of the Water Fund. Mr. White also indicated the finances will see a difference with the completion of the four-level rate increase. Mr. White exclaimed the Water and Wastewater Funds have struggled. With increased rates, people are conserving more and water sales are down.

The Electric Fund personnel line item has increased due to an additional person with a four employee Department. Mr. White stated he built the Electric Fund a little "fat" to allow for extra expenditures since we are going into our first year as Farmersville Electric. Mild summer weather will affect the electric sales. By August, the figures should be clear based on the model. There has been placed funding for more material which is more than we had when we were with Sharyland Utilities. El Niño is building and conditions are setting to have a milder winter.

The Electric Surcharge Account is building and can be spent on improvements to the electrical system. Mayor Helmberger questioned the 90 day reserve fund with Ms. Hamlin stating \$450,000 is set aside to pay for salaries, trucks and tools.

Ms. Hamlin informed the Council TML IEBP, the City employee's medical insurance provider, is pressing to have an insurance contract signed regarding the City's commitment. Employees will definitely take a hit on higher insurance premiums since the premiums are increasing from 3% to 20% depending on the selected plan. Michael Hesse stated the City is not the only one having high premiums. The Council gave their consensus to hold their commitment to 3%.

The final tax calculations will be received July 25th. From there the Council will have a better idea of accurate tax dollars to then further budget discussions.

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

Mayor Helmberger requested a discussion regarding the Special Event permit. John Klostermann requested information regarding ADA compliancy. No one else requested placing items on future agendas.

ITEM VI) ADJOURNMENT

Council adjourned at 7:12:35pm.

APPROVED

ATTEST



Joseph E. Helmberger, P.E., Mayor



Edie Sims, City Secretary

