

FARMERSVILLE CITY COUNCIL

MEETING MINUTES

July 29, 2014

The Farmersville City Council met in regular session on July 29, 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. Staff members present were City Manager Ben White, City Attorney Alan Lathrom, Police Chief Mike Sullivan, Fire Chief Kim Morris, Finance Director Daphne Hamlin, Main Street Manager Adah Leah Wolf 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. Jim Foy offered the invocation with Mayor Helmberger leading the audience in the Pledge of Allegiance to the American Flag and the Texas Flag.

Ian Campbell, residing at 2080 CR 648, Farmersville, came before the Council stating he is part of the Fellowship Youth Group representing State Representative Scott Turner. His reason for being at the meeting is to learn how our local government works. Mr. Campbell was welcomed by Mayor and Council.

Mayor Helmberger announced August 11th is Safe Digging Day by proclamation and urged citizens to call before you dig.

Item II – A) SECOND READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE TO AMEND THE MASTER FEE SCHEDULE TO INCREASE THE WATER RATES

Upon the second reading of the ordinance to amend the Master Fee Schedule to increase the water rates, 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, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM II – B) ONLY READING TO CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE INITIATING A BOND DRAFT FOR PHASE 2 OF THE 2012 BOND PROJECTS

David Medanich, representative for First Southwest, came before the Council stating competitive bids were taken today for the sale of the City's bond for phase 2 of the 2012 bond project as approved by voters in the amount of \$1,500,000 for street and water projects. With the City have a rating of A+, the City was able to benefit from a higher rating saving \$55,876.46. BOSC out of Oklahoma was the best bidder. The rate purchased is very favorable. All blanks included in the ordinance will be finalized and returned to the Council as a complete document, but could not be completed until after the sale of the note. Jim Foy motioned to approve the ordinance for the second phase of the bond draft with John Klostermann seconding the motion. A poll of the Council

was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM II – C) FIRST READING – CONSIDER, DISCUSS AND ACT UPON AN ORDINANCE REGULATING THE SALES OF E-CIGARETTES AND SIMILAR PRODUCTS

Council noted the issue of e-cigarettes has become a state wide issue. Jim Foy, who attended the most recent School Board Meeting, indicated Farmersville ISD has incorporated something very similar to the ordinance presented to keep e-cigarettes from being used on ISD property. Jim Foy requested a change be added before the second reading to include liquid nicotine. City Attorney Alan Lathrom stated this clarification can be installed banning the sale of liquid nicotine as well. Jim Foy motioned to approve the ordinance with the revision regarding liquid nicotine with John Politz seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

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

Daphne Hamlin, City Finance Director, came before the Council announcing the only issue financially is in the Water Department with revenues at only 62%. City Manager Ben White stated the Court is right on target and the Warrant Officer is making great strides to making the anticipated line of income. There are also issues with TxDOT projects which are negatively impacting our accounts. Per Mr. White, the rate increase imposed earlier at this meeting will help some. Ms. Hamlin stated the Wastewater Department is still behind but expenses are down as well. Ms. Hamlin noted the water sales to other entities are on track. Mayor Helmberger stated we are seeing the price for conservation.

Jim Foy appreciated the Electric Surcharge graph but would like to see a separate line item reflecting cash balances reflected from Sharyland. Any funds in excess should be set aside for maintenance and upgrades of the electrical system. Mr. Foy also asked if Council will receive a separate project list with Mr. White expressing he is working with our Electric Supervisor on this presently. The project list will be based on whether the project is an upgrade or maintenance of the existing system. Mr. Foy stated he would like to see a list of modernization projects that also shows the amount received through the Electric Surcharge Fund and amount spent through same. With no more discussion, John Klostermann motioned to approve the City Financial Reports with John Politz seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – B) CONSIDER, DISCUSS AND ACT UPON A MUTUAL AID AGREEMENT BETWEEN THE CITY OF FARMERSVILLE AND SHARYLAND UTILITIES

City Manager Ben White requested the Council to review Exhibit A of the Mutual Aid Agreement which will offer aid to the City in the event of a catastrophic event. This Exhibit sets the way for assistance and what charges would be submitted. We have a

similar agreement with Garland Power and Light as well. With the agreements with GP&L and now Sharyland, we are protected more. This agreement is different for GP&L as their charges are covered per home rather than per hour like Sharyland's. Mr. White stated he would prefer using a contractor before requesting mutual aid, but this is good to have in our toolbox. Michael Hesse 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, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – C) CONSIDER, DISCUSS AND ACT UPON AN INTERCONNECTION AGREEMENT BETWEEN THE CITY OF FARMERSVILLE AND SHARYLAND UTILITIES

City Manager Ben White requested this item be tabled as there are loose ends that have not been completed and clarified. John Klostermann motioned to table this item with Michael Hesse seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – D) CONSIDER, DISCUSS AND ACT UPON AN INTERLOCAL AGREEMENT BETWEEN COLLIN COUNTY AND THE CITY OF FARMERSVILLE FOR THE FARMERSVILLE #1 TIRZ CALCULATIONS

City Manager Ben White stated the Interlocal Agreement presented will bring approximately \$1,000 annually. The tax office keeps the records of the funds going into the TIRZ account so a separate accounting is not required at this time. The agreement will be taken to the Commissioner's Court for final action after Council provides their decision. There is approximately \$10,000 in the fund now, which is a drop in the bucket, but with more development the fund will increase. With no discussion from the Council, John Klostermann motioned to approve the Interlocal Agreement as presented with John Politz seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – E) CONSIDER, DISCUSS AND ACT UPON PROCESSES AND REQUIREMENTS REGARDING SPECIAL EVENT PERMITS

City Attorney Alan Lathrom has been working on the processes regarding special event permits. He has received Council recommendation from the last meeting and simplified the processes, defined the meanings to give clarity and added traditional events that the City of Farmersville has. An exemption or exception has been defined. There is also included an exception for sidewalk sales or fundraising events. Special events would include a tent revival, as recently occurred on Feagins' property, even if the event was on private property. Section 60-11 regards fees which could be beneficial or detrimental. City Manager Ben White recommended the charges be placed in the Master Fee Schedule to allow this ordinance to stand on its own and not have future changes due to fees. Mr. White also recommended a method to waive fees as well.

Events, per the ordinance presented, will limit events to six times per year for five days per event. Jim Foy questioned Section 60-22(f) regarding private clubs. Mr. Lathrom indicated this chapter is presently included in the Code of Ordinances under Chapter 5 regarding a private club. Council requested this item be brought back at the next meeting on August 12 to allow Council time for review. Council took no action.

ITEM III – F) CONSIDER, DISCUSS AND ACT UPON THE HEALTH INSPECTION CONTRACT WITH COLLIN COUNTY

In 2009, the City Council approved Ordinance # 2009-42 which states Collin County is to enforce the health inspections within the City of Farmersville. This ordinance has not been enforced since its approval. This ordinance has been brought to the attention of the Council to decide if this is the direction the City needs to go and if so, then who is to enforce.

It is not clear if all restaurants have employees to attain a food handlers certificate. City Manager Ben White indicated this may seem a negative, but the customers will see the inspections as a positive. Kelly Stockberger with Bureau Veritas came to offer Bureau Veritas' services if the Council wished to change the ordinance and allow Bureau Veritas the contract to enforce these inspections. Michael Hesse stated this process' main objective is to protect the public. Jim Foy suggested discussing further the objective the Council wanted to achieve before discussing who will do the enforcement. Michael Hesse stated classes for food handlers are offered through Princeton ISD. Mr. White expressed concern regarding volunteer groups such as the Volunteer Fire Department Fish Fry and how those types of events are handled.

Council concurred to bring this item to the August 26th Council meeting and invite all the restaurants to receive their input.

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

City Manager Ben White indicated the good progress on the curbs from Hamilton Street between McKinney and Gaddy Streets and also between McKinney to Pendleton Streets. The water and wastewater lines, a large portion of the project, were completed and the contractor stated the project is very close to overlaying the asphalt. Central Street still needs drainage around the North side of Houston Street to be completed. There are several items on the punch list yet to be completed. The Hamilton Street punch list still needs to be done. Hamilton Street is scheduled for completion in August. Once completed, the contractor will move to Beech Street.

When Jim Foy questioned if the width was changed on Windom Street for the overlay project, Mr. White indicated no widths were changed for any of the overlay projects. Mr. White also indicated storm water issues are prevalent and will consider resolutions and improvements prior to asphalt overlay if costs allow.

Axis Contracting, Inc. has been hired to work with Advanced Paving Company to install the curb work on the remaining overlay projects. Axis has done a great job and having them on the curb work will be a tremendous asset to the City.

Currently the largest issue is on Jackson Street where the integration of the water lines at the North Tower will be completed. Sampling stations have been upgraded which should improve our water sampling techniques.

Mr. White indicated the automated meter reading system is continuing to move forward. Due to the complexity of the meter reading system, the specifications have been set in place so that ITRON systems will be the only system used. The Badger water meters are also very specific for the City's automated meter reading system.

The wastewater projects have not begun as we are awaiting grant funds.

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

City Manager Ben White stated Phases 1 thru 3 are substantially complete. Phase 4 is more than 75% complete and Phase 5 is to be started soon. There will be dedicated crossing areas and the State will designate those areas. The project is expected to be complete before school starts in August.

ITEM III – I) UPDATE ON CHAPARRAL TRAIL PROJECTS

Current there are no changes to the Chaparral Trail projects per City Manager Ben White.

ITEM III – J) UPDATE ON HIGHWAY 380 PROJECT

City Manager Ben White informed the Council of an issue regarding storm water drains that were located in the way of TxDOT. The City's Public Works moved quickly and removed the drainage out of the way. Recent rains have posed a problem with storm water. TxDOT has been working on stabilizing the ground and grading this past week. The project is moving forward but there are problems with the new passing bridge for the railroad.

Farmersville Electric is working on the overhead electric change out at the Hill Street crossing to an underground utility. Mayor Helmberger stated according to TxDOT, South Main Street will be shut down for 3 weeks and the Hill Street crossing will be shut down for 1 ½ weeks. The second railroad bridge was originally scheduled to be completed May 2015. TxDOT will be meeting with the City of Farmersville in August to discuss the continued construction.

ITEM III – K) CONSIDER, DISCUSS AND ACT UPON A RESOLUTION AMENDING THE CITY'S PREVIOUS RESOLUTIONS PETITIONING THE TEXAS ALCOHOLIC BEVERAGE COMMISSION TO ENTER AN ORDER PROHIBITING THE POSSESSION OF AN "OPEN CONTAINER" AND/OR THE PUBLIC CONSUMPTION OF ALCOHOLIC BEVERAGES IN THE CENTRAL BUSINESS DISTRICT AND MODIFYING THE BOUNDARIES OF THE CENTRAL BUSINESS DISTRICT

Mayor Helmberger stated the City has many laws regulating alcohol and consumption. The effort introduced is to allow events to be held in the downtown area that would allow event participants to drink an alcoholic beverage and not be in violation of the existing laws. Jim Foy noted the Herb Ellis jazz event is a perfect example of an event that would allow people to take an alcoholic beverage from one location to another. Mayor Helmberger stated by changing the boundaries, more events would be allowed including wine tasting events.

Police Chief Mike Sullivan stated the Police Department would enforce the law outside the boundaries of the event. City Attorney Alan Lathrom indicated a conflict with special events in the City's Code of Ordinances, Chapter 5. This can be resolved and permit such events for alcoholic consumption for affirmative prosecution with new metes and bound changed in the Central Business District.

John Klostermann motioned to revise the resolution and provide the examples at the next meeting with Jim Foy seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – L) CONSIDER, DISCUSS AND ACT UPON TRUE-UP SETTLEMENT WITH SHARYLAND UTILITIES BENEFITTING FARMERSVILLE ELECTRIC

Council reviewed the true-up documentation provided by Sharyland Utilities. City Manager Ben White recommended Council approve the final true-up figures as presented. When received, these funds will be placed in the Electric Fund. Mr. White stated the City does have the right to audit Sharyland's accounting but feels these numbers are correct. Mr. White also recommended using the funds for the advanced metering infrastructure (AMI) system. A complete audit will be done regarding deposits. The unpaid bills, amounting to \$55,000, will be collected by the City. Jim Foy motioned to approve true-up settlement with Sharyland Utilities as presented with John Klostermann seconding the motion. A poll of the Council was taken as follows: John Klostermann yes, John Politz yes, Michael Hesse yes and Jim Foy yes. Motion passed with full Council approval.

ITEM III – M) CONSIDER, DISCUSS AND ACT UPON ADVANCED METERING INFRASTRUCTURE (AMI) FOR FARMERSVILLE ELECTRIC AND THE WATER SYSTEM

City Manager Ben White recommended the Council go forward with purchasing an AMI system for Farmersville Electric. Installation will include 1,500 + meters. Presently, reading meters takes 4 days. The cost to the City includes labor for reading the meters, labor for cut-offs and overtime labor for some reconnections. Accuracy is another issue with older mechanical meters. Some electric meters are not turning at all. We will look at these old meters as revenue loss.

The AMI system will allow reading and cut-offs and turn-ons from City Hall which will be a cost savings versus the human costs. The AMI systems also offer information regarding voltage ranges which save energy. Another aspect will be group outages also performed from City Hall. These outages could save the entire system from being down for maintenance and only affect a small group of electric meters.

The AMI system has a remote shut off to allow rolling brown-outs by ERCOT's directive. Brown-outs will be avoided, but may be required to avoid critical care issues and selectively sharing loads during heaving uses. Mayor Helmberger stated this scenario is probably not a reality since we are such a small transmission source.

Mr. White indicated Garland Power and Light is using and prototyping this system. Mr. White also recommended Wimax with server capabilities at City Hall.

A flex net from a wide area network will talk to collectors placed at strategic locations in a mesh networking. City Hall will be able to talk with the water meters and retrieve water meter data. The only problem foreseen thus far is leak detection. Public Works employees will still need to travel throughout the City but the readings can be done without the employees leaving the vehicle. The cost will be \$250 per meter with a yearly software cost of \$10,000 annually with a total of \$311,000 which includes the hardware costs for the meters. The installation will be performed by Farmersville Electric. Collectors will be installed by Farmersville Electric as well. The cost for the system will be more if not installed through a data link such as cellular. The subscriber units receive data through a Wide Area Network (WAN) via Ethernet to the collector. This system could be self reliant through the internet as long as power is available to the WAN, but the system would be more costly. Some cities have sold this opportunity as a service opposed to wireless internet.

Mr. White recommended applying \$296,000 towards the system and using the \$55,000 outstanding in collections to cover costs as funds are recovered. Mr. White also recommended moving forward with a prototype and have a WAN and 1 collector located around the school area as there are different types of meters around Gaddy Center. The only work presently will be the meter change out. There may be non-compliant issues upon installation and those issues will be addressed at that time.

With the present hand written system, misreads are the biggest problem, next will be getting the data to share with the customers. Jim Foy requested a detailed cost of our exact implements. Mr. White stated there is no intention of being inside anyone's home; the meter will be outside only as it is today. Jim Foy indicated that all utilities are moving to this method and he would like to see Farmersville keep up with the rest of the world and not fall behind. Council concurred to proceed.

ITEM IV) BUDGET WORKSHOP

Daphne Hamlin, Finance Director, came before the Council stating the final figures were received from Collin County Appraisal District with the Effective Taxable Value set at \$156,959,283.00. As per the past discussions, Council has considered setting the tax rate at \$0.772255 with the Interest and Sinking to pay the indebtedness. The reason for the raise in the taxes is the bond issues which the voters voted for. Our effective tax rate + 3% would equal \$0.78 and \$0.80 is the rollback rate. The City of Princeton is \$0.73.

Based on an average home costing \$100,000, the homeowner would see \$100 increase with the Effective Tax Rate + 3%.

City Manager Ben White stated Chris Ekrut, who performed the recent rate study, has encouraged increasing the wastewater rates. If the Council implements the wastewater increase, our sewer rates will be the highest in the area. However, other cities are feeling the same pains as Farmersville. Council did not raise the sewer rates to date. Chris Ekrut with NewGen Strategies & Solutions came before the Council stating he does not recommend winter averaging. The sewer rate method of winter averaging allows greater efficiency and keeps the rate at a lower amount. Mr. Ekrut

stated he still recommends the Council reconsider and increase the sewer rate; otherwise the City will see at least \$100,000 shortfall. Mr. White stated he questioned what to do to go forward. This item was suggested to be brought to the next Council for further discussion.

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

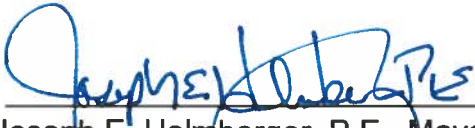
No one requested placing items on future agendas.

ITEM VI) ADJOURNMENT

Council adjourned at 8:57:42pm.

APPROVED

ATTEST



Joseph E. Helmberger, P.E., Mayor



Edie Sims, City Secretary

