



**CITY COUNCIL**  
**City of McLendon-Chisholm, Texas**  
**Special Work Session Meeting Minutes**  
**July 18, 2017**

The City Council of the City of McLendon-Chisholm convened in Special Work Session on Tuesday, July 18, 2017, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

Robert Steinhagen	Mayor
Adrienne Balkum	Council Member
James Herren	Council Member (Absent)
Wayne Orchard	Mayor Pro Tem
Sim Woodham	Council Member
Scott Turnbull	Council Member

Staff Present:	David Butler	City Administrator
	Lisa Palomba	City Secretary
	Michael Coker	City Planner

**1. Mayor Steinhagen called the meeting to order at 6:32 p.m.**

**2. Council Member Woodham delivered the Invocation. Recitation of the Pledge of Allegiance to the United States and Texas flags followed the Invocation.**

It was noted that Council Member Herren is absent this evening. His absence is excused.

**Mayor Steinhagen welcomed those attending the meeting and those viewing the meeting online via Facebook Live. Mayor Steinhagen then reviewed Council Meeting Guidelines including Rules of Decorum.**

**Mayor Steinhagen changed the order of items and moved to Item 4 on the agenda.**

**4. Council Member Turnbull presented information regarding his proposed budget process.** Turnbull's presentation included identifying a timeline of budget events beginning with the first quarter of the new fiscal year to include: 1) new long range projections and goals; 2) applying updated predictions and assumptions to extended budgets; Second Quarter to include: audit firm and ad hoc committee to review financials, accounting process and investment process for compliance; Third Quarter to include: 1) visit with all contractors to identify process improvement with goal of saving the City money; 2) begin work on the following year's budget using estimated ad valorem amounts; Fourth Quarter to include: 1) plug in ad valorem certified amounts

when available; finalize new budget; 2) review and modify Investment Policy; and adopt new Budget and Investment Policy.

Turnbull continued his presentation regarding his proposed McLendon-Chisholm Cash Management Plan (MC-CMP). Turnbull explained the purpose is to establish a MC-CMP that projects the City's monthly and yearly cash requirements and flows. This plan shall define the use and interaction of the monthly operational cash accounts (checking) and the investment accounts (savings). The plan will project the yearly and monthly flow of cash into and out of City coffers. It will be the basis for managing inter-fund transfers between the City's operational cash, reserve and investment accounts. It will project an accurate interaction with the approved budget and any projected shortfalls or excesses. A quarterly summary report showing a list of investments of City funds, the market value of each investment, the total value of all investments and cash on hand in account. The annualized return for each investment for the previous calendar quarter and the projected return for the then current calendar quarter.

Turnbull continued his presentation focusing on earning larger returns on City funds. His suggestions included: 1) keep City monies in City accounts as long as possible; 2) all vendor contracts should be modified to monthly installments preferably net 15 or net 30 payments after invoicing; 3) set up Short Term (60 day) lines of credit with banks and other financial institutions to supplement revenues when needed. Turnbull further explained that lines of credit must be authorized by Council resolutions or ordinances and 4) modify our Investment Policy to allow investment in longer term AAA rated securities or FDIC insured investments

Turnbull continued and spoke about paying off long-term debt. To accomplish this, Turnbull suggested: Make it the City's official policy to set aside funds to call for redemption in 2025; as many of the long-term CO bonds 2026-35 maturities as possible. Turnbull made the point that if this goal is met it will net substantial savings in interest versus payment over the life of the bonds. Turnbull continued and illustrated his point showing Council a graph of bond maturity rates; principal; interest rates; interest per year, years saved and total savings.

Turnbull concluded his presentation and the floor was opened for questions and discussion. Council Members praised Turnbull for his efforts and general discussion was held regarding topics in the presentation. Council Members remarked that flow charts would be most helpful and appreciated in future presentations.

Mayor Steinhagen recessed the meeting at 7:47 p.m.

Mayor Steinhagen reconvened the meeting at 7:59 p.m.

Council Member Orchard asked about sales tax revenue and requested to know which businesses are paying sales tax. This topic will be added to the next regular agenda.

Mayor Steinhagen acknowledged City Planner Michael Coker. Steinhagen remarked that Coker is in attendance this evening to show Council's intent for transparency in the budget process. Council Members engaged in dialogue with Coker regarding his planning services to the City, fees charged to the City for services; Coker's contact with the public and compensation and billing practices. Turnbull questioned Coker about the possibility of the City paying a retainer for standard services and agreed upon fees for other services. Coker indicated he would have to consider how a retainer arrangement would work. Council Members indicated they appreciated Coker's service to the City. Balkum commented that she appreciated his presentation and tolerance for questions and asked Coker how the City web page could improve in the area of planning. Turnbull asked Coker to give the City his best deal.

**Mayor Steinhagen returned to Item 3 on the agenda.**

**3. General discussion was held regarding the upcoming City Survey.** Council focused on refining questions to be asked on the survey. Question topics considered included: length of residency; residency prior to moving to McLendon-Chisholm; preferred news sources for residents; opinions on open space and rural lifestyle; awareness questions related to recently approved ordinances; lot size; centralized or decentralized business districts; desired population growth over time; desire for a grocery store; and homeowner septic system maintenance. Video applications, embedded videos and graphics were also discussed. Extensive discussion as held regarding how to word a fire department funding question. Possible answer choices were also discussed.

Mayor Steinhagen called for a recess at 10:21 p.m.

Mayor Steinhagen reconvened the meeting at 10:32 p.m.

Discussion resumed regarding tax deductible donations to the MCVFD. Other items discussed included: tax surplus; monthly newsletters; eblasts; Facebook Live broadcasts of City meetings; adoption of a Code of Conduct; senior living communities; open space; and interconnectivity of pedestrian and equestrian trails.

Butler noted that it is difficult to connect trails from one subdivision to another throughout the City. However, developers are encouraged to create trails within a subdivision.

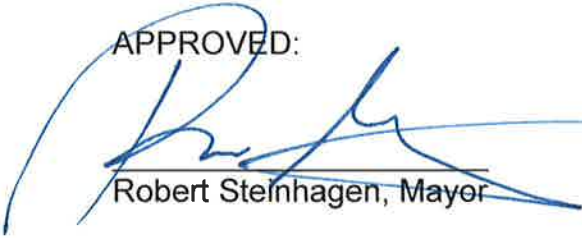
Discussion regarding survey questions continued. Orchard commented regarding using an informational narrative for MCFVD questions such as "Did you Know" type videos. Paper and online survey options were discussed as well as preferences for community events.

Council Member Turnbull moved to adjourn the meeting. Council Member Balkum seconded the motion. **The motion carried with unanimous consent (Herren, absent) and the meeting was adjourned at 11:18 p.m.**



APPROVED:

ATTEST:

  
Robert Steinhagen, Mayor

  
Lisa Palomba, City Secretary