



CITY COUNCIL
City of McLendon-Chisholm, Texas
August 23, 2016
Minutes

City Council Present:	Nathan Hodges	Mayor
	Jerry Klutts	Council Member
	Gary Lovell	Mayor Pro Tem
	Wayne Orchard	Council Member
	Patrick Short	Council Member
	Robert Steinhagen	Council Member
Staff Present:	David Butler	City Administrator
	Stephanie Galanides	City Secretary

Mayor Hodges called the meeting to order, led the recitation of the Pledges of Allegiance to the United States and Texas flags and delivered the invocation at 6:30 p.m.

MOTION: POSTPONE THE FOLLOWING ITEMS TO A SPECIAL MEETING TO BE SCHEDULED FOR AUGUST 30:

- 9. Presentation by Robert Steinhagen to report the results of a citywide voter survey conducted on behalf of Citizens for Representative Government.**
- 10. Presentation, discussion and direction to repeal Section 1-15 of the Zoning Ordinance (Chapter 14 of the Code of Ordinances), establishing a Board of Adjustment, and transfer all responsibilities of the Board of Adjustment to the City Council in accordance with Section 211.008 of the Texas Local Government Code.**
- 11. Presentation, discussion and direction to repeal Section 1-5 of the Zoning Ordinance (Chapter 14 of the Code of Ordinances), establishing a Planning and Zoning Commission, and transfer all responsibilities of the Planning and Zoning Commission to the City Council in accordance with Section 211.007 of the Texas Local Government Code.**

MOTION MADE: STEINHAGEN
SECONDED: ORCHARD

There was discussion regarding the motion. Steinhagen stated that a special meeting would provide time for presentations that had been deferred multiple times. The Mayor stated that he could not attend on August 30. Steinhagen withdrew the motion.

MOTION: DEFER THE FOLLOWING ITEMS TO THE TOP OF THE AGENDA FOR THE SEPTEMBER 13, 2016 MEETING:

- 9. Presentation by Robert Steinhagen to report the results of a citywide voter survey conducted on behalf of Citizens for Representative Government.**
- 10. Presentation, discussion and direction to repeal Section 1-15 of the Zoning Ordinance (Chapter 14 of the Code of Ordinances), establishing a Board of Adjustment, and transfer all responsibilities of the Board of Adjustment to the City Council in accordance with Section 211.008 of the Texas Local Government Code.**
- 11. Presentation, discussion and direction to repeal Section 1-5 of the Zoning Ordinance (Chapter 14 of the Code of Ordinances), establishing a Planning and Zoning Commission, and transfer all responsibilities of the Planning and Zoning Commission to the City Council in accordance with Section 211.007 of the Texas Local Government Code.**

MOTION MADE: STEINHAGEN
SECONDED: ORCHARD
APPROVED: UNANIMOUS

CITIZENS COMMENTS

Bob Hermann, 1248 Wales Drive, expressed concern regarding the developer practice of entering into contracts with electricity providers that limit or eliminate residents' ability to negotiate electricity rates. Hermann encouraged the Council to consider electricity provider negotiations during the platting process.

Terrell Miller, 35 Windsor Drive, expressed concern that the voter survey conducted on behalf of Citizens for Representative Government included questions that were leading and also that it may not be representative of the City. Miller expressed opposition to the proposed abolishment of the Planning and Zoning Commission and the Board of Adjustment, stating that citizens that volunteer want to provide service to their community.

Presentation regarding the 2016 Sonoma Public Improvement District (PID) Annual Service Plan Update.

Abdi Yassin of MuniCap provided background regarding the PID that financed the costs of public improvements in the Sonoma Verde addition. Yassin stated that the City issued Special Assessment Revenue Bonds, Series 2015 for the Sonoma PID Phase One Project in the amount of \$7,600,000 that will be repaid from assessments levied against the properties in Phase 1. Yassin presented and answered questions regarding the Sonoma PID Annual Service Plan Update drafted as required by Chapter 372 of the Local Government Code. Yassin stated that the service plan identifies the improvements to be constructed and their costs, specifies the indebtedness incurred for the improvements and the manner of assessing the properties within Sonoma Verde that are specifically benefitted by the PID. Yassin stated that the Service Plan Update addresses:

1. Changes to parcel status;
2. Changes to the budget as specified in the original documents; and
3. Calculation of the amounts that needs to be collected each year to satisfy PID-related obligations, including interest and principal payments on the bonds and reimbursement agreement, estimated district maintenance and administration expenses.

Yassin answered questions regarding long-term funding for future infrastructure maintenance and stated that the portion of the annual assessment designated for street maintenance could be increased to build up funds for future maintenance.

There was discussion regarding reimbursements to the City for expenses associated with administration of the PID and options for future ownership of and responsibility for maintenance of the infrastructure in Sonoma Verde. Steinhagen stated that, unlike most subdivisions, the streets in Sonoma Verde are owned by the City. Steinhagen expressed concern regarding long-term infrastructure maintenance obligations once the PID assessments have been repaid. Orchard stated that more information is needed to prepare for long-term maintenance of the infrastructure in Sonoma Verde and suggested that the City Administrator research costs for street maintenance in other cities. Steinhagen expressed his opinion that a future City Council should consider conveying the governance of the Sonoma PID and, if possible, the ownership of the infrastructure to the property owners via a homeowner association or other means.

Discussion and action regarding ordinance accepting and approving 2016 Sonoma Public Improvement District (PID) Annual Service Plan Update.

MOTION: APPROVE ORDINANCE 2016-11 ACCEPTING AND APPROVING AN ANNUAL SERVICE PLAN UPDATE FOR THE SONOMA PUBLIC IMPROVEMENT DISTRICT.

MOTION MADE: SHORT

SECONDED: ORCHARD

In response to a question from Steinhagen, Yassin confirmed that there are no significant changes to the service plan.

APPROVED: UNANIMOUS

Discussion and action regarding Proposed Budgets for the Fiscal Year that starts October 1, 2016 and ends September 30, 2017.

Ray Smith, owner and manager of Ray Smith CPA, presented and answered questions regarding the revised budget worksheet for the 2016-2017 fiscal year. Smith stated that adjustments were made to reflect the 2016 change in reporting method for the City's financials from the cash basis to the accrual method of accounting.

There was detailed review of the budget worksheet. Stating that the increased number of homes in the City should result in increased revenue, Steinhagen questioned the projected decreased franchise fee revenue for garbage and recycling services. Staff will research. Items discussed included the sales tax rate within the City, options for building plan review and inspection services, operational and building maintenance expenses, and public safety. Chief Robert Jones explained that the increased funding request for the McLendon-Chisholm Volunteer Fire Department (MCVFD) was due primarily to increased costs for staffing and also to an increase in operational costs and previously undeclared equipment depreciation. Jones stated that increased salaries were needed in order to retain qualified personnel. Steinhagen suggested that the City should work to find a way for property owners in the City's extraterritorial jurisdiction to participate in MCVFD expenses, expressed support for the MDVFD and stated his opinion that the Department should have a measure of autonomy. There was discussion regarding desired level of service, response times and Council and citizen support for the MCVFD.

No action was taken by the Council. The Mayor recessed the meeting at 8:12 p.m. Hodges reconvened the meeting at 8:22 p.m.

Discussion and action regarding Proposed 2016 Tax Rate.

MOTION: SET THE PROPOSED TAX RATE AT THE CURRENT RATE OF \$0.152025 PER \$100 OF TAXABLE VALUE.

MOTION MADE: STEINHAGEN

SECONDED: ORCHARD

APPROVE: UNANIMOUS

A public hearing to receive input regarding the proposed budget for the 2016-2017 fiscal year was scheduled for September 13. Public hearings regarding the proposed tax rate were scheduled for September 13 and September 20.

Proposed Budgets for the Fiscal Year that starts October 1, 2016 and ends September 30, 2017.

Discussion regarding the proposed budget resumed. The Council reviewed expenses for professional services and directed Smith to further detail certain professional expenses to reflect work associated with the Sonoma PID that the City is reimbursed for. There was extensive discussion regarding funding, scope and options for repairing Klutts Road and League Road. Butler will research options for more substantial improvements to League Road.

Smith summarized the discussed revisions to the draft budget and stated that a transfer from reserves of \$81,000 would balance the budget.

Discussion and action regarding City Hall Building Maintenance.

The item was deferred in order for staff to do further research. No action was taken by the Council.

Discussion and action regarding the Minutes of August 9, 2016.

Action regarding the minutes of August 9 was deferred to the next meeting.

Reports and Announcements;

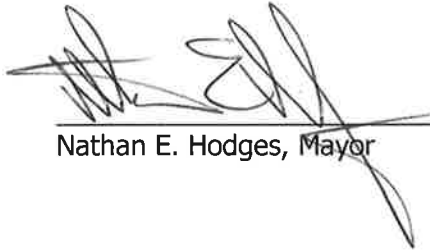
- a) **Financial Reports for July 2016.**
- b) **Building Official Report for July 2016.**
- c) **Rockwall County Sheriff Activity for July 2016.**
- d) **McLendon-Chisholm Volunteer Fire Department and EMS Activity for July 2016.**

The reports were included in the meeting packet.

MOTION: ADJOURN THE MEETING (9:11 P.M.).

MOTION MADE: STEINHAGEN
SECONDED: ORCHARD
APPROVED: UNANIMOUS

APPROVED:



Nathan E. Hodges, Mayor

ATTEST:



Stephanie Galanides, City Secretary

