



CITY COUNCIL
City of McLendon-Chisholm, Texas
Meeting Minutes
April 24, 2018

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, April 24, 2018, at Chisholm Baptist Church, 1388 State Hwy. 205, McLendon-Chisholm, Texas, with the following members present:

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

Staff Present:	David Butler	City Administrator
	Lisa Palomba	City Secretary

1. Mayor Steinhagen called the meeting to order at 6:34 p.m.
2. Mayor Steinhagen delivered the Invocation and then led the Pledge of Allegiance to the U.S. and Texas Flags. Steinhagen commented regarding breaking news of a Dallas Police Officers shot in the line of duty this evening. No other information could be confirmed at this time regarding condition of the officers. Steinhagen indicated thoughts are with those officers and families.
3. Steinhagen reminded audience members that Rules of Decorum are to be observed throughout the meeting.
4. Citizens Comments. The following citizens spoke:

Mark Kipphut, 31 Fireside Drive, requested the following statement be recorded in the minutes verbatim:

(Begin Kipphut Verbatim Comments) I am offering this prepared statement on behalf of the McLendon-Chisholm Volunteer Fire Department (MCVFD). It is with great reluctance that I am here; it is difficult to understand how we have come to this moment. As one of the two negotiators for the MCVFD and as one of the four people in the room since January when we first met with the city negotiating team, I offer the following comments and observations to council and the residents of McLendon-Chisholm (MC):

- When we met with the members of the MCVFD in January after being asked to represent them to the city and prior to meeting with the city negotiators, John Crumpley, the lead negotiator and I asked one basis question of the MCVFD members: *“does it really matter who “owns” the fire department?”* Their unanimous answer was, *“no,”* that we want to fulfill our mission of providing emergency and fire services to the city. It was then and is apparent today each of them has a servant’s heart.
- Therefore, John and I met with the leadership of the department, then its members, to set a course that would return us to what was the intention established by City Council five years ago, to merge the MCVFD with the city. The challenge was then, and remains now, *“how to make this happen.”*
- On January 26, we presented a framework to the city to begin the process of determining how to create an agreement that was mutually beneficial to both sides – MC and MCVFD.
- In simple terms, a merger is the voluntary amalgamation of two firms on roughly equal terms into one new legal entity. Typically, owners and employees of each pre-merger firm continue as owners and employees, and the resources of the merging entities are pooled for the benefit of the new entity. In this case the merger would be characterized as a vertical integration, adding capabilities that both sides lack independently.
- For mergers to be successful there has to be a foundation of trust between the two parties. In this case, John and I knew that trust was lacking on all sides and needed to be re-established.
- Therefore, we forged a proposal that would be paced over two years and allow both sides the breathing room to re-establish trust in each other. The structure was designed to be agnostic of leadership for either side, that it would work regardless of who was in leadership positions in the department or on city council or city staff.
- To accomplish the goal, we proposed a line of operation that allowed the city to establish financial controls over the MCVFD while the MCVFD would maintain its “not-for-profit” status and run operations throughout this two year transition period.
- The objectives of the transition period were to:
 - Allow for the city emergency services committee to complete its work and forge a plan to move the city forward,
 - Allow the city council and city staff to move through two budget cycles to fully understand the requirements, costs and demands of running a fire department, including overseeing state regulated firefighters and equipment, something the city has not done, *and*
 - Allow the residents of MC to be comforted in knowing the excellence emergency and fire services they have known over the past several years would continue uninterrupted during the transition period for annual costs ~\$80,000 below the amount the City Council approved for fire protection for this Fiscal; Year. Overall the proposal to merge put forward by the MCVFD was designed to be accomplished within the currently establish MC city budget and levied property tax rate.
- At the end of the two year transition period all of the assets of the MCVFD, its commercial value of \$1.4 million dollars, would transfer at no cost to the city.

- The question we are frequently asked by citizens and the same question that Mayor Pro Tem Orchard failed to fully address in both his statements in council and on the city web site is *“why the break down, why could the two sides not come to agreement.”* The answers can be found in the contract unilaterally offered by the city. This proposal reversed the proposed priorities – in a nut shell it was *“give us the assets now”* and *“we reserve the right to appoint a new fire chief and will provide no guarantees for the future of the current dedicated firefighters.”* The city would not budge on their failure to support the men and women of our community who are the *“heart and soul”* of the department and its capabilities. Remember these are members of the brotherhood, the *“long thin red line”* of local sons and daughters who have been responding to emergencies saving lives and property across our city since the 1970’s. Instead the city demanded an ability to appoint a new fire chief, someone who is a stranger to our community, but who would have absolute administrative *“hire and fire”* and operational authority.
- Last week, Mayor Pro Tem Orchard delivered yet another ultimatum to the men and women of the MCVFD – *“sign the contract proposal or the city will start spending \$200,000 a year to create a new department.”* Yet he also proclaimed *“I’m still trying to get the two sides together. That was the plan all along by the MCVFD and the City was to combine. This is the chance to do it before purchases and obligations are made.”* Please remember a merge is designed to benefit both parties, yet by his own words the Mayor Pro Tem describes a hostile takeover. Also, no formal plan ever existed – the January proposal was actually the first to establish a detailed design.
- We lay these details out tonight because this is a *“tipping point moment”* for our city and the MCVFD. Tonight the City Council will consider and vote on committing our tax dollars to create a new fire department ... simultaneously they have asked the MCVFD membership to consider the contract. The outcomes are predicable. It is difficult for us to understand the logic or commitment of the council to reach an agreement. They chose material assets over people – they chose a difficult and expense path to provide rudimentary capability. They turned what could have been a *“win-win”* for both parties and our community, into a likely *“lose-lose.”*
- A simple metrics for success are *“will we be better off with this new city plan to create a fire department ... will service improve or decrease ... will taxes go up or down ... will we be better off both financially and in terms of public safety.”*
- The answers for the MCVFD are known, the outcomes for a new fire department are unknown. For anyone to predict taxes will not increase and our ISO rating will not change is pure guesswork. They are talking about the future based on estimates that have no historical basis.
- I apologize to my fellow citizens for taking too much of their time ... at the same time I plea with the council not to rush to judgment to create a new fire department before the upcoming election. The great political philosopher, William Pitt, said: *“Necessity is the plea for every infringement of human freedom. It is the argument of tyrants.”* This rings true based on the agenda tonight ... in the face of a critical election while the MCVFD remains on duty despite no contact, council appears in a rush to have the appearance of doing *“something.”*

- Mr. Orchard himself wrote *“some may ask “why not just give MCVFD the amount you are going to use to build out a City Owned Fire Department?” The answer is that for the same amount we can have secured Fire Protection and not beholden to an outside agency that can dictate what the city need to be obligated for.”* Except what he failed to tell you is it will take years to achieve the same level of operational service and the costs will continue to mount ... *apparatus, equipment, operations and maintenance, buildings, dispatch, readiness and training, certifications.* Also, his same argument also could be used for creating a city sanitation department, police department, streets department or any other vestige of government that always claims it is needed. The question taxpayers should ask themselves is *“when has government ever been more efficient than private enterprise?”* More government is never small government.

The bottom line is what are we really accomplishing? Mr. Steinhagen and Mr. Orchard promised us two years ago that *“only the people through a vote should be able to approve a project that will raise their taxes and put the city into long-term debt.”* Hard to believe creating a new fire department will not do both. I urge the council to restrain itself until after the voters have had the opportunity to express themselves in a week. Meanwhile, I can declare the MCVFD will not waiver in their commitment to continue to respond to emergencies and support the citizens of MC. I will now excuse myself to attend a special business meeting of the MCVFD. Thank you. (Kipphut Verbatim Comments Concluded)

Lance Agee, 1509 Via Toscana, thanked the Chisholm Baptist Church for hosting tonight’s meeting; referred to conflict of interest between Council Member Balkum being on City Council and part of Sonoma Verde HOA; commented that Balkum should recuse herself during Sonoma Verde discussions; asked how much money was provided to Sonoma Verde developer. Steinhagen cautioned Agee that this is not the appropriate time to ask questions. Agee continued his comments regarding: Orchard underestimated costs for a municipal fire department; money should go to MCVFD; taxes could be rolled back if funds are not used for MCVFD; City is going down the wrong track starting a municipal fire department; municipal fire department will be additional tax burden to citizens; City spent \$1,000 on Emergency Management mailer that wasn’t needed; liberal spending; Steinhagen is not a conservative; wait until after election to act on fire department decisions.

Mike Donegan, 26 Ridge Lake Lane, urged the Council to Canvass the May 5, 2018 General Election 3 days following the election as allowed by law to get new leaders into office as soon as possible.

5. Approval of Minutes. Balkum, seconded by Turnbull, moved to approve the February 27, 2018 City Council Minutes as presented. A vote was cast and the motion carried unanimously.

6. Resolution Approving Letter of Support for Staffing for Adequate Fire & Emergency Response (SAFER) Grant Application. Palomba explained there is a very short window of time to apply for the SAFER Grants and that a Letter of Support from the

governing body is required as part of the application. Palomba provided a brief overview of the grant applications noting one grant supports the hiring of firefighter positions and that the City is requesting funding for the equivalent of 6 full-time positions as part of the grant application. The second grant is for the recruitment and retention of volunteers. If awarded, the grant would fund such items as bunker gear, training, recruitment efforts, incentives, stipends and related items involved in recruiting and retaining volunteer firefighters. Simmons provided additional information noting grant monies would allow for 3 shifts with 2 personnel on duty at a time. Steinhagen expressed concern regarding long-term commitment of hiring so many people. Palomba further explain that she and Simmons set up the 6 positions as job share positions and that any number of people may share one position so the City will not be obligated to pay benefits as the employees would be considered part-time. There is no obligation for the City to retain full-time positions once the grant period is expired and the City would have three years to plan for those positions if kept. Brief discussion was held among Council Members. **Turnbull, seconded by Balkum, moved to approve Resolution No. 2018-14 providing a Letter of Support for Staffing for Adequate Fire & Emergency Response Grant Applications. A vote was cast and the motion carried by unanimous consent.**

7. Budget Allocation of \$12,000 to allow for review and recommendation of updates to the Code of Ordinances pertaining to planning, zoning, subdivision and engineering - Steinhagen objected to moving forward at this time and requested the Planner and Engineer attend a future meeting to discuss process and costs for the update and recommendations. **No action was taken.**

8. Lawsuit Dismissal – Mayor Steinhagen provided an update regarding Communications Tower Group LLC v. City of McLendon-Chisholm, and City of McLendon-Chisholm Board of Adjustment, Case No. 3:17-cv-02658-B, N.D. Tex. Mayor Steinhagen commented that lots of misinformation has circulated regarding the lawsuit. Steinhagen announced that the City has reached a settlement with Communications tower group LLC that will permit a shorter communications tower of 180' and will require a masonry wall surrounding the tower for safety. The City will be reimbursed for legal and professional service expenses in an amount of \$130,000 spread over three payments. The City did not want to settle but it became apparent during the course of mediation that continuing in the direction of a trial had the potential to cost the City hundreds of thousands of dollars and no guarantee of the preferred outcome. Settling was not desired but the greater financial health of the City had to be considered and balanced against the desire to retain and protect the rural atmosphere. The City learned a great deal through the process and has changed the procedure for future tower requests and the City will be better prepared for the next application. Mayor Steinhagen thanked all Board of Adjustment Members. Mayor Steinhagen called upon Board of Adjustment Member Gary Nickel for comment as he attended the mediation.

Gary Nickel, 612 Kentwood, commented that the group representing the City at mediation was resolved to defend the decision to deny the tower but the City just could not afford the legal battle. A trial would likely have resulted in a jury pool of people from urban area that are not familiar or appreciative of the values associated with the rural lifestyle in

McLendon-Chisholm and there would be no way to recover legal fees even if the City had won the case at trial. Steinhagen mentioned that he and/or another Council Member will try to meet with the adjacent landowner to explain the outcome.

9. City Hall Property Zoning – Discussion and direction to staff regarding initiating a possible zoning change on City Hall property. **Steinhagen postponed Item 9 until after Executive Session indicating this item will be included as a topic in Executive Session.**

10. Resolution approving June 2018 City Council Meeting Date Changes – Turnbull, seconded by Balkum, moved to approve Resolution No. 2018 – 15 changing the dates of the regular City Council Meetings in June from June 12 and June 26, 2018 (2nd and 4th Tuesday), to June 5 and June 19, 2018 (1st and 3rd Tuesday). A vote was cast and the motion carried by unanimous consent.

11. Special City Council Meeting Date – Discussion and action regarding holding a Special City Council Meeting on Tuesday, May 15, 2018 to Canvass the May 5, 2018 General Election. No action was taken.

Steinhagen moved to Item 14.

14. Executive Session – Mayor Steinhagen recess into Executive Session (Closed Meeting) at 8:09 p.m. in accordance with Government Code:

a. Section 551.071: Consultation with Attorney, to conduct a private consultation with the City Attorney to seek advice about pending or contemplated litigation or on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, regarding the McLendon-Chisholm Volunteer Fire Department and an agreement between the City of McLendon-Chisholm and McLendon-Chisholm Volunteer Fire Department for fire services contract and transition agreement.

b. Sections 551.071 and 551.074: Consultation with Attorney, to conduct a private consultation with the City Attorney to seek advice about pending or contemplated litigation or on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act regarding fire protection matters, and Personnel Matters, to deliberate the appointment, employment or duties regarding Fire Chief/Fire Marshal.

Steinhagen added the following item to Executive Session: Item 9. City Hall Property Zoning – Discussion and direction to staff regarding initiating a possible zoning change on City Hall property.

15. Mayor Steinhagen reconvene Regular Meeting at 9:15 p.m. No action was taken during Executive Session.

16. Executive Session Items.

As related to Item 9, City Hall Property Zoning, staff was provided direction to proceed with zoning change efforts on City Hall property.

a. Discussion and action regarding an agreement between the City of McLendon-Chisholm and McLendon-Chisholm Volunteer Fire Department for fire protection services and transition to City of McLendon-Chisholm Fire Rescue Department. **No action was taken.**

b. Discussion and action regarding appointment of a Fire Chief/Fire Marshal. Much discussion was held regarding possibly appointing Jim Simmons as full-time Fire Chief/Fire Marshal for the City. Extensive discussion was held among Council Members regarding Mr. Simmons' immediate availability and extensive qualifications and Council's inability to reach an agreement with MCVFD despite multiple attempts at negotiation. Steinhagen invited Simmons to the podium to answer questions from Council Members regarding his availability, qualifications, work history and plans to move forward with a municipal fire department including recruitment efforts for volunteers, attempting to partner with MCVFD or becoming good neighbors with them and creative financing such as lease options to fund vehicles and other necessary equipment to establish a new department. **Orchard, seconded by Turnbull, moved appoint Jim Simmons as full-time Fire Chief/Fire Marshal for the City of McLendon-Chisholm. A vote was cast and the motion was approved unanimously.** Simmons Salary was set at \$73,500 plus benefits.

17. Fire Protection Services Update – Mayor Pro Tem Orchard will provide an update regarding planning for the McLendon-Chisholm Fire Rescue Department to be fully operational. Discussion regarding Item 17 was included as part of Item 16. No further action was taken.

12. Council Member Reports and Announcements

- a. Mayor's Report and Announcements
- b. Mayor Pro Tem Orchard – Fire Protection Services
- c. Council Member Turnbull – Budget, Finance and Investment
- d. Council Member Herren – Roads and Transportation
- e. Council Member Woodham – Code of Ordinance Update
- f. Council Member Balkum – Communications, Community Engagement, Emergency Services Committee

13. Reports

- a. Financial Reports for March 2018
- b. Second Quarter Investment Report
- c. Building Official Report for March 2018
- d. Rockwall County Sherriff Activity for March 2018

e. McLendon-Chisholm Volunteer Fire Department and EMS Activity for March 2018

Items 12 and 13 were considered together and comments are as follows:

Council Member Turnbull commented regarding the Budget Report. He requested staff monitor water usage at City Hall during the summer season and adjust lawn watering as needed; bank fees appear high but there is income to compensate as most are credit card use fees that the City recovers.

Palomba provided the Second Quarter Investment report noting that \$550,000 was recently moved from Alliance Operating Account to Logic to gain interest. It will be moved back to Alliance in small increments as needed for the remainder of the fiscal year to meet obligations.

Council Member Balkum commented regarding the Emergency Services Committee and noted the Committee is reviewing call numbers and types of service calls, and time of day of heaviest call volume. An eblast promotion for a virtual Coffee Chat was successful. Two callers participated in the live broadcast. Phase 2 of website updates are delayed.

Orchard provided a brief recap of MCVFD call reports in the City, county and mutual aid provided.

Steinhagen commented on EMS service and noted that Rockwall County EMS has not missed any response time standard requirements since October and the Emergency Services Board may return the \$17,500 that Rockwall County EMS was fined in October 2017 as they have had no issues since. Additional Chisholm Baptist Church will host CPR and Stop the Bleeding training on Saturday with instruction provided by Rockwall County EMS.

Steinhagen further commented this is the last City Council Meeting for 2017-2018 City Council. Steinhagen thanked and praised Council Members for their support and efforts this past year and Sim Woodham for filling the vacancy this year and remarked that Woodham didn't talk often but when he did speak, people listened.

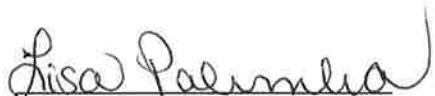
Woodham commented that serving on City Council has been a rewarding experience and has allowed him to see things from a different perspective. Woodham did not run for election this season. Woodham thanked the rest of Council for their support this past year and commented that it was a pleasure serving with them.

Turnbull added that Administrative Assistant Judy Rhodes is often overlooked as she works in the background. Judy is often the voice one hears when calling City Hall. She provides excellent customer service and the City would not function effectively without her and thanked her for her service. Council and staff agreed.

18. Council Member Turnbull, seconded by Mayor Pro Tem Orchard, moved to adjourn the meeting. The motion was approved by unanimous consent. The meeting adjourned at 10:59 p.m.

ATTEST:

APPROVED:


Lisa Palomba, City Secretary


Keith Short, Mayor



The seal is circular with a dotted border. The text 'CITY OF McLENDON-CHISHOLM' is written along the top inner edge, 'CORPORATE SEAL' is in the center, and 'TEXAS' is at the bottom.