The City Council of the City of McLendon-Chisholm convened in Special Meeting on Monday, September 17, 2018, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

Keith Short  Mayor
Adrienne Balkum  Council Member
Herman Larkin  Council Member
Scott Turnbull  Mayor Pro Tem
Jim Bloom  Council Member
James Herren  Council Member

Staff Present:
David Butler  City Administrator
Lisa Palomba  City Secretary
Jim Simmons  Fire Chief/Fire Marshal
David Paschall  City Attorney

1. The meeting was called to order at 6:30 p.m. by Mayor Short.

2. Mayor Short led the invocation and Pledge of Allegiance to U.S. and Texas Flags.

3. Mayor Short stated that the Rules of Decorum were in effect and were to be observed throughout the meeting.

4. Citizen Comments.

David Day, 211 Tucker Road, expressed concerned about fighting fires. There had been a lot of fear in the last election built around the fire service. He would prefer that not be the case the next time around. He mentioned that he was an insurance executive and he and his wife owned an insurance company. If they wanted their local rates to go down, they needed fire hydrants.

5. Approval of Minutes. The item was tabled until the September 24, 2018 meeting.

6. Public Statement by Council Member Balkum. Council Member Balkum shared that they had received a letter from Senator John Cornyn on August 29, 2018. The McLendon-Chisholm Fire Rescue had been awarded a $621,600 federal grant to increase the number of firefighters and support. She read a portion of the letter which explained the purpose of the grant program.

7. Tax Rate Public Hearing to receive comments regarding setting the proposed Tax Rate to $0.150000 cents per $100 valuation on all taxable property for Fiscal Year
starting October 1, 2018 and ending September 30, 2019. Mayor Short opened the public hearing at 6:40 p.m. to receive public comment. The following persons spoke:

Mark Kiphut, 31 Fireside, commented that the assumption the tax rate was built on was a budget. The budget was based on assumptions which included expenditures for fire services. Once the budget was passed, Texas law mandated it to be enacted the way it was passed. He believed that because there had been fire service taxes collected for 12 months, with the community only receiving three and half months of services, the current fiscal year's budget was not consistent with Texas law. He was hopeful that whatever budget was passed that year that was associated with the increase tax rate, would result in 12 months of effective fire service.

David Day, 211 Tucker Road, was not against the rate. He understood the need to fund things that needed to be built. He supported the firefighting profession but believed the way they currently fought fires would cause their insurance rates to go up.

As there were no additional speakers, Mayor Short closed the public hearing at 6:43 p.m.

8. Tax Rate for Fiscal Year starting October 1, 2018 and Ending September 30, 2019. Discussion and announce date of September 24, 2018 to adopt setting the Tax Rate to $0.150000 cents per $100 valuation on all taxable property for the Fiscal Year starting October 1, 2018 and ending September 30, 2019. There was no discussion on the tax rate. Mayor Short announced the date of September 24, 2018 to adopt setting the new tax rate.

9. Resolution No. 2018-28 Calling a Portion of the City of McLendon-Chisholm, Texas, Combination Tax and Limited Surplus Revenue Certificates, Series 2015 for Redemption. Discussion and action regarding a resolution calling a portion of the City of McLendon-Chisholm, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015 for redemption prior to maturity; and enacting other provisions relating to the subject.

Mayor Short read the resolution into the record and requested a motion.

Mayor Pro Tem Turnbull, seconded by Council Member Balkum, motioned to accept the resolution.

Mayor Pro Tem Turnbull requested the spread of the amounts be $50,000-100,000, rather than $75,000-95,000. He believed that would give more leeway.

Council Member Bloom questioned how the spread would be represented in the budget. Ms. Palomba replied that they would estimate the best they could and if it needed to be amended during the year, they could make adjustments.

Council Member Bloom questioned if they needed to choose a specific number and then amend the number.

Ms. Palomba replied that they had chosen a number, which was reflected in the budget.
Council Member Larkin commented that the accountant had recommended that $78,000 was available to help pay it down. He believed the range seemed a little wide, based on the accountant’s recommendation.

Mayor Pro Tem Turnbull reiterated that the reason he suggested the larger range was to give the Council more options, should they be needed.

Council Member Larkin questioned who would make the final number determination, based upon the established range.

Mayor Pro Tem Turnbull replied the financial advisor would do the calculation.

Turnbull amended his motion for a range of $50,000-100,000. Council Member Larkin seconded the amended motion.

Mayor Short called for the vote. A vote was cast and the motion carried unanimously.

10. Texas Municipal Retirement System (TMRS). Discussion and action regarding making a lump sum contribution to TMRS in the amount of $30,000 to reduce or eliminate any unfunded actuarial accrued liability assumed by the City for purchase of prior service credits.

Mayor Short requested a motion.

**Mayor Pro Tem Turnbull moved to approve the item, seconded by Council Member Larkin.**

Council Member Balkum questioned what Mayor Pro Tem Turnbull’s thoughts were about the lump sum contribution.

Mayor Pro Tem Turnbull replied that based on the salaries they had set out for Mr. Simmons, Ms. Palomba, the Assistant City Secretary and the firefighters, the difference between what they would pay out at 10.2% and at 5.2%, was $22,887. The difference between 9.2% and 5.2% was $18,300. To make the lump sum payment, it would cost $7,112 more than what they would pay out anyway. Taking the rate drop into consideration, it would cost $11,690 more. He recommended the city make the lump sum payment and alleviate the debt. He clarified the exact percentages with Ms. Palomba and provided an amended calculation based upon the clarification. It was not a savings, but the difference between what they would pay out anyway. Everything going forward could be at the 5.2%.

Ms. Palomba clarified that the 5.2% would not go into effective until 2020. The rates had already been calculated for 2019 and could not be adjusted.

Mayor Pro Tem Turnbull requested clarification that they would still be paying the 9.2%, even if they paid off the amount.

Ms. Palomba replied that they would be paying the higher rate for 2019. In 2020, the rate would drop, possibly lower than they had projected.
Mayor Pro Tem Turnbull had been under the impression that they could pay it off and reduce the rate immediately, but since that was not the case, he did not feel there was any reason to pay the lump sum.

Ms. Palomba mentioned that it did not matter when they made the decision, it would take about a year to reflect in the rate. Because they currently had the surplus funds, she believed it would be wise to pay the lump sum.

Mayor Pro Tem Turnbull announced he would withdraw his motion and asked to table the item until the following week. He gave direction to Staff to obtain a payout schedule from Texas Municipal Retirement System (TMRS), with and without the $30,000 lump sum.

Mayor Short questioned if there were any objections to tabling the item.

Mayor Pro Tem Turnbull moved to table the item until the following meeting, as direction was given to Staff. Seconded by Council Member Balkum. Mayor Short called for the vote. A vote was cast and the motion to table carried unanimously.

11. Agreement for Fire Protection Services and Integration. Discussion and action regarding an Agreement between the City of McLendon-Chisholm and the McLendon-Chisholm Volunteer Fire Department (MCSVFD) for fire protection services and integration of MCSVFD and McLendon-Chisholm Fire Rescue (MCFR) into one entity.

Mayor Short requested a motion.

Council Member Bloom, seconded by Council Member Larkin, moved to discuss the item.

Mayor Short requested that Chief Simmons address the Council.

Chief Simmons presented the document with additional changes based on recommendations from Council Members. The document had been sent to Chief Murphy and would be sent to Attorney Dodd soon. Chief Murphy was not available to attend that evening and would not be available for a couple days. They had not received any documents back from Chief Murphy or Mr. Dodd.

Mayor Pro Tem Turnbull questioned if Mr. Paschall's latest revised document started on page 16.

Mr. Paschall replied that was correct.

Mayor Pro Tem Turnbull requested clarification of who had had the chance to review the document.

Chief Simmons replied that they had sent it to Chief Murphy that morning.
Mr. Paschall commented that he had had a discussion with Mr. David Dodd that afternoon. He had received the document. He further clarified the documents they had in the packet.

Mayor Pro Tem Turnbull questioned if Chief Simmons had discussed the added items with Chief Murphy.

Chief Simmons replied that they had spoken briefly that day as Chief Murphy was travelling.

Ms. Palomba mentioned that she had spoken with Chief Murphy on Friday, before the timeline had been placed. He did not seem pleased with the possibility of the term being added.

Chief Simmons stated that if Council was pleased with the document, except for the sections that needed to be approved by Chief Murphy, they would like to move forward as soon as possible.

Mr. Paschall mentioned that the items that were in red were to be deleted. He was amicable to the deletion of all those items, except for section 6.2, "Time is of the essence," which he recommended leaving in.

Council Member Bloom questioned the red comment in 9.3. He added there were some on the Council that felt strongly about that.

Mr. Paschall offered clarification.

Mayor Pro Tem Turnbull and Mr. Paschall further discussed the audit process and the open meeting law.

Council Member Larkin believed that because all the records had been transparent, it should not be a deal breaker. It was a question of trust. It seemed to him that the trust had broken down over the previous two years between MCVFD and the City Council. He believed it was time to trust each other again, abandon conspiracy theories and get the job done. They were as close as they had been to an agreement in a long time. They had the basic outline of a solid document that would give the citizens some protection.

Mayor Pro Tem Turnbull mentioned that the document did not preclude the City from being burdened with any outstanding MCVFD debts, nor did it identify any of those debts. He believed that absolutely needed to be included. If Chief Simmons was the overall Chief and had authority over the budget and operations at MCFR and they were utilizing the equipment until it transferred, he did not see any reason for any monies to be paid to MCVFD. Any invoices that needed to be paid could be presented to the secretary for payment and the payment could be made directly to the vendor.

Council Member Herren suggested they heed the advice of Ronald Reagan, "Trust, but verify." He recommended that they could trust them, but they should verify. The City needed to understand what they were getting involved with before any agreements were signed.

Mayor Short agreed with Council Member Herren. They needed to be aware of any outstanding debts.
Mr. Paschall stated that Mayor Pro Tem Turnbull was correct about the acquiring of the assets.

Mayor Pro Tem Turnbull clarified that his comments were made in reference to sections 4.1, 5.2 and 5.4. He believed some of the sections could be stricken, as they were no longer necessary. He requested clarification regarding the purchase of insurance.

Mr. Paschall provided clarification to Mayor Pro Tem Turnbull.

Council Member Larkin mentioned that the worker's compensation insurance policy premiums were paid in full up through the middle of February 2019, and the vehicle insurance policy premiums were paid in full up through May 14, 2019.

Mayor Pro Tem Turnbull requested information on the liability policy.

Council Member Larkin believed it was through February, as well. He added that the cost of all the insurance premiums for 12 months was approximately $29,000.

Mayor Pro Tem Turnbull commented that once the assets were taken over by the City, the City would then be responsible for insurance.

Council Member Balkum questioned if Mr. Paschall was aware if there was a need to amend the additional insurer on the MCVFD general liability policy.

Mr. Paschall replied that the insurance company would appreciate it, but he was not aware of any requirement.

Council Member Balkum clarified that some of the sections had not been reviewed by Chief Murphy and was concerned that the contract they had in front of them was not what they should be pursuing. She did not believe it was beneficial to either parties, nor was it something they should be agreeing to that evening.

Mayor Short commented that the Council needed to have faith in the Attorney and the Fire Chief to craft a document that they felt would be best. They were not going to get everything the Council requested. He questioned why they would pay the Attorney and the Fire Chief to look over the contract if they weren't going to heed the advice that was given. He suggested they give the Attorney some direction and have faith that he would do his job appropriately.

Council Member Bloom recommended that they go through the contract that was presented to them and review the highlighted portions. If individuals who had provided input felt strongly about something that needed to be discussed, they would address that.

Mayor Pro Tem Turnbull commented that they all had the right to express their concerns. He reviewed several of his concerns about the document itself. He suggested the dates he would prefer to be included in section 6.
Mayor Short suggested adding a provision that a reason be provided if the transfer of a specific asset could not be completed by the date set forth in the contract.

Council Member Balkum mentioned that there was only one vehicle that would be held up by the grant process. All the other vehicles and equipment would be a matter of switching the title over into the City's name and acquiring insurance. She did not believe it needed to take until March for the transfers to be completed. She questioned what the hold ups that Mr. Dodd previously referenced could have been.

Mayor Short reiterated that he was just suggesting that if there was a reason why the date could not be met, they be given the opportunity to show proof as to why they could not meet the date.

Council Member Larkin suggested it was possible that Mr. Dodd was exercising caution in reference to the transfer of assets from a corporation to a government entity, as there may have been some special considerations that needed to be addressed.

Council Member Balkum mentioned the affidavit form, 14-317, that was related to the gifting of an item. Also, the IRS form NZ-900. She stated she could forward those forms to Mr. Paschall and he could possibly discuss them with Mr. Dodd.

Mr. Paschall was willing to pass along anything to Mr. Dodd that Council Member Balkum would like.

Mayor Pro Tem Turnbull reiterated the language he had previously suggested regarding defending a possible delayed asset transfer. He suggested allowing Mr. Paschall to make the determination, based on the information presented to him, if the delay was justified.

Council Member Larkin commented that it was not sounding like a cooperative merger. It sounded more like a hostile takeover, as they were demanding everything. He did not believe there was a need for that number of stipulations. They should be more cooperative.

Council Member Balkum read an email exchange between herself and TxDOT regarding reconstruction of the station that would be demolished in the expansion process of Hwy. 205.

Mayor Short questioned if Chief Simmons felt that everything was included in the document that was necessary from his viewpoint as the fire chief.

Chief Simmons replied yes, it was.

Mayor Short suggested that if that was the case, it was then up to Mr. Paschall and Mr. Dodd to finalize the legal points of the agreement.

Mr. Paschall clarified that the document the Council had that evening was built upon that structure. They were trying to present them with something that the chiefs had agreed upon, but there were certainly other points that Council Member's had raised that he was not against researching.
Mayor Pro Tem Turnbull questioned if Council Member Larkin believed that Mr. Paschall would be an unbiased judge of which assets should move and when they should move.

Council Member Larkin commented that he agreed with the dates that had been proposed on the document. He believed the transitions would take place in a timely manner.

Mayor Pro Tem Turnbull clarified his question to Council Member Larkin and reiterated the suggestion to follow Mr. Paschall's legal advice.

Mr. Paschall thanked the Council for the trust they had put in him. He would never let another attorney weigh in on whether they felt the decision of the Council was a good one.

Mayor Pro Tem Turnbull voiced his concern about not assigning someone to be the decision maker. It would place both attorneys at odds against each other. He questioned if Mr. Paschall would recommend using an arbitrator in that situation.

Mr. Paschall replied that he would not advocate for that scenario. He was hopeful that the volunteer department would respect the opinion of the City Staff.

Mayor Pro Tem Turnbull added that there were currently two chiefs and two attorneys, split down the middle. He questioned how they could handle that situation.

Mr. Paschall recommended that there be a consensus between the two chiefs and two attorneys. If there was still a question at that point, there would need to be a third person involved. He suggested that person could be the Mayor.

Mayor Short weighed in that he believed the third person needed to be a fair and impartial person. He suggested waiting to see what Chief Murphy thought of what was currently on the table.

Council Member Bloom again suggested going back through the highlighted portions of the document and coming to a consensus as a Council.

Mr. Paschall agreed that that would be helpful.

Council Member Balkum believed that the Council had given enough direction to Mr. Paschall.

Chief Simmons clarified that the items in yellow had been addressed and agreed upon and items in red were agreed upon to be removed. The sections in green still needed to be addressed one on one. Everything else in the document had been discussed and agreed upon between himself and Chief Murphy.

Mayor Pro Tem Turnbull commented that some of the Council Members did not agree with some of the other language, not just in the colored sections. He suggested going through the entire document, section by section, allowing Council to voice their opinions and concerns. That would allow Mr. Paschall to present a document that the Council had come to consensus on.
Council Member Bloom stated that if they needed to go through the document line by line, that would be fine. He believed they needed to get it taken care of and not push it to the next week.

Mayor Short called for a recess at 8:24 p.m.

The meeting reconvened at 8:42 p.m.

Mayor Short started reviewing each of the sections.

Council Member Balkum questioned Mr. Paschall if there was a concern about signing the document since the 911 protection area had not been changed.

Council Member Bloom suggested that they could amend the contract if that were to ever happen. He did not believe it was a concern, as it was written.

Council Member Balkum questioned if they should insert a clause stating that district 22 would change to MCFR.

Council Member Larkin commented that it was not going to be that way, if they approve the agreement.

Mr. Paschall believed that was how it was already written. The two departments would integrate into MCFR, who would then serve district 22.

Mayor Pro Tem Turnbull suggested including language that the county would be notified to amend the first alert department from MCVFD to MCFR for district 22.

Mr. Paschall agreed that it could be included.

Council Member Balkum requested further clarification of the district protection.

Mr. Paschall requested clarification about district 22 to further understand Council Member Balkum's concerns.

Commissioner Bailey clarified what district 22 meant. MCVFD would have no authority in district 22 without MCFR's permission.

Chief Simmons commented that MCVFD had no desire to operate as an independent entity after the integration had taken place. They could integrate MCVFD into MCFR's auxiliary program to maintain some of the grants. However, grants were the least of their concern, currently. Their focus was the integration of the two agencies.

Council Member Balkum thanked Commissioner Bailey for the comment.

Council Member Bloom questioned if Mr. Paschall believed it needed to be in the agreement, or if it was a separate issue.
Mr. Paschall did not understand it to be of any concern. He saw it to be done as a normal course of business.

Council Member Balkum stated that given the knowledge she had just received that MCVFD had no intention to continue their nonprofit status, it made sense.

Mayor Short moved on to the next section.

Mayor Pro Tem Turnbull suggested that 4.1 needed to be stricken, in its entirety. Chief Simmons would be over the fire department and would have control of all the equipment and personnel. He did not see a reason for having that language included.

Chief Simmons commented that the reason that was included was if MCFR was not able to function starting on October 1, they would not have to go back and come up with an additional agreement for continuation of fire protection services.

Mayor Pro Tem Turnbull questioned Chief Simmons if he would agree that if they had all the personnel and equipment that was currently with MCVFD, they would be able to stand up MCFR.

Chief Simmons agreed that it would be possible.

Council Member Bloom questioned what the solution would be if they did not have the agreement in place by October 1, 2018.

Mayor Pro Tem Turnbull replied that if the agreement was not in place, nothing in the agreement would be applicable.

Mayor Short reiterated that if Council agreed with everything in the document, that would be what would go back to Chief Murphy and Mr. Dodd for review.

Council Member Larkin suggested that the only reason section 4.1 was included was if the hiring process could not be completed by October 1, 2018.

Council Member Bloom stated in the interest of getting an agreement, it did not hurt to have it in there, it would just give them an option.

**Mayor Pro Tem Turnbull moved to strike section 4.1, seconded by Council Member Balkum. Mayor Short called for the vote. A vote was cast and the motion carried with 3 in favor, 2 opposed (Bloom, Larkin).**

Mayor Short requested clarification between MCFR and MCFRD. MCFRD was referenced several times throughout the document.

Discussion concluded that it would be referenced as MCFR going forward.

Mayor Short moved on to section 4.2-4.4.

No changes were necessary in the above sections.
Mayor Short moved on to section 4.5.

Council Member Herren believed the section to be poorly written and could set the City up to violate hiring statutes. They could not be mandated to hire particular people. They needed to be able to interview and hire the best qualified people.

Council Member Balkum agreed with Council Member Herren.

Mr. Paschall suggested some additional language.

Council Member Herren believed it needed to specify that they were going to hire the most qualified individual. The way it was written, there was an expectation that they were going to hire all the MCVFD personnel that applied for the positions.

Council Member Balkum suggested that it state they were an equal opportunity employer.

Mayor Short questioned Mr. Paschall if it stated that they had to hire the MCVFD applicants.

Mr. Paschall replied that he had added the language about being in compliance with SAFER. His objective was to achieve something like what the Council Members were discussing.

Council Member Balkum reiterated her suggestion of expressing they were an equal opportunity employer.

Council Member Bloom commented in the spirit of a merger, they were stating that they would do all they could to hire the personnel from the other organization they were merging with. Rather than coming across that they intended to take the equipment and leave.

Council Member Balkum believed that the language in 4.5 cancelled out the section in question.

Council Member Herren recommended amending the language to interview all applicants for the positions. He believed they did not want to specifically call out the organization MCVFD. It would not change the verbiage, but it would take away some of the liability.

Council Member Larkin agreed with Council Member Herren but did not see it being different than a federal job application where veterans received preferential points.

Council Member Herren added that there were federal guidelines for veterans that they could not reference in the agreement.

Council Member Balkum questioned if Council set the standard.

Mayor Short agreed that he could hear both points, but they were arguing too far.

Council Member Bloom commented that he agreed with Mayor Pro Tem Turnbull.
Mayor Pro Tem Turnbull believed that to protect the city, that language should be stricken, to rule out the possibility of someone coming back on them.

Council Member Herren agreed that there was a liability issue and if they removed that language, it would be enough.

Mayor Short requested a motion.

**Herren moved to strike MCVFD and insert equal opportunity. Mayor Pro Tem Turnbull seconded the motion.**

**A vote was cast and the motion carried unanimously.**

Mayor Short moved on to section 4.6.

Mayor Pro Tem Turnbull questioned Chief Simmons if the paid personnel's equipment was new, or at the end of its life cycle.

Chief Simmons replied it was purchased within the previous two to three years.

**Motion to accept 4.6 as written by Mayor Pro Tem Turnbull, seconded by Council Member Bloom.**

**A vote was cast and the motion carried unanimously.**

Mayor Short moved on to section 5.1.

Mayor Pro Tem Turnbull suggested the language be amended to "Effective October 1, 2018, MCFR fire chief shall have complete command and authority over all fire prevention and suppression operations inside fire district 22. This includes personnel, apparatus, equipment, the training and use thereof and must grant prior approval to any operational expenses greater than $100. The MCFR chief will submit all expenses for payment to the City Secretary. Payments will be made directly to the vendor. The City Secretary has final approval over all payments." He believed the last sentence should be City Administrator or stricken.

Ms. Palomba and Mayor Pro Tem Turnbull discussed the exact requested language.

Mayor Short requested a motion to amend the language.

**Motion to amend the verbiage by Mayor Pro Tem Turnbull, seconded by Council Member Herren. A vote was cast and the motion carried unanimously.**

Mayor Short read section 5.2.

**Mayor Pro Tem Turnbull, seconded by Council Member Balkum, moved to strike the yellow portion of 5.2 for the same reason that 4.2 was stricken.**
Council Member Bloom commented that he saw Mayor Pro Tem Turnbull's reasoning, but he felt it was okay for it to remain, as it gave them an option if something unforeseen did occur.

Council Member Larkin agreed that it was a harmless clause. It was there in case they needed it.

Mayor Pro Tem Turnbull reiterated that he did not believe that portion needed to be included in the contract. If Chief Simmons needed additional funds, he could come to Council and request them.

Mayor Short called for the vote.

**A vote was cast and the motion carried with 3 in favor, 2 opposed (Larkin, Bloom).**

Mayor Short moved on to section 5.3.

Council Member Balkum believed it needed to be reworded, regarding the legal expenses.

Mayor Pro Tem Turnbull questioned Ms. Palomba if the legal expenses had been removed, or added back in.

Ms. Palomba deferred to Mr. Paschall.

Mr. Paschall replied that it came off his system.

Mayor Pro Tem Turnbull mentioned that he thought it had been removed from the version that had been sent to them the previous Wednesday.

Mr. Paschall apologized. They were trying not to have multiple versions floating around and it could have been an instance where that did occur and created confusion.

Chief Simmons stated that he and Chief Murphy had discussed that issue.

**Turnbull moved to accept 5.3 with the following changes; retain the first sentence, strike everything thereafter and include that the City attorney would generate all transfer documents and provide the day to day legal advice and services for the integration process. If MCVFD felt they needed Counsel to review or advice regarding transfer of assets or other legal issues, they should retain their own Counsel. The city would reimburse MCVFD for transition legal expenses up to $5,000. MCVFD would be solely responsible for any legal expenses incurred in excess of that amount. Council Member Bloom provided a second.**

Council Member Bloom questioned if MCVFD existed at that point. He did not understand who would be making that payment. If Chief Simmons had control over both, where would the money come from.

Mayor Pro Tem Turnbull replied that until everything was transferred, MCVFD still existed.
Council Member Balkum clarified that the administrative fees would be taken care of by MCFR.

A vote was cast and the motion carried unanimously.

Mayor Short moved on to 6.1.1.

Mayor Pro Tem Turnbull recommended they take it by section and address each separately.

Council Member Balkum commented that if Chief Simmons was overseeing the transferring process, he should be providing Council with reports.

Chief Simmons clarified that it was just during the integration process that he and Chief Murphy would present the reports. After the integration process was concluded, he would be presenting the reports alone.

Mayor Pro Tem Turnbull clarified that 6.1 dealt with who was going to decide the most efficient means for accomplishing the transfers and executing and filing the documents.

Mr. Paschall suggested making language changes to 6.1.

Mayor Pro Tem Turnbull, seconded by Council Member Bloom, moved to allow Mr. Paschall to make language changes to 6.1 as he saw fit by Mayor Pro Tem Turnbull. A vote was cast and the motion carried unanimously.

Mayor Short moved on to 6.1.1.

Turnbull moved to accept 6.1.1 as written. Bloom seconded the motion.

Council Member Balkum requested including dates about the physical inventory.

Mayor Short replied that the dates would be addressed further along in the document.

Mayor Pro Tem Turnbull believed that 6.1.1 could be stricken, as it was part of Chief Simmons’ job to report to Council. He withdrew his motion.

Council Member Larkin moved to strike 6.1.1, seconded by Mayor Pro Tem Turnbull. A vote was cast and the motion carried unanimously.

Mayor Short moved on to 6.1.2.

Mayor Pro Tem Turnbull moved to modify the item to read that they would present the report in writing to Council by November 1, seconded by Council Member Bloom.

Turnbull commented that would give Council 12 days to review and express questions and concerns and act at the November 13 meeting. It would also allow Council to take additional action, if needed, at the November 26 meeting.

A vote was cast and the motion carried unanimously.
Mayor Short moved on to 6.2.

Mayor Pro Tem Turnbull recommended that they deal with subset one, two and three before dealing with 6.2.

**Turnbull moved to amend the dates to November 20, 2018, February 28, 2019 and April 30, 2019. Council Member Herren seconded the motion.**

Council Member Balkum believed that the dates needed to be within 2018. They needed to have station one come first, followed by all other tools, equipment and apparatus. She was concerned that they needed to be able to coordinate with TxDOT, the earlier the better.

Mayor Pro Tem Turnbull agreed with Council Member Balkum. Station one should be included in 6.2.1.

**Turnbull moved to amend his motion for 6.2.1 to include station one.**

Council Member Herren was supportive of accelerating the dates, due to the need to provide liability insurance. He suggested that staff be directed to get insurance quotes.

Ms. Palomba had spoken with TML (Texas Municipal League) about the liability insurance. They made her aware that if there was an agreement to transfer the assets, they could insure them prior to the actual physical transfer.

**A vote was cast and the motion carried unanimously.**

Mayor Short moved on to 6.2.

Balkum expressed concern regarding dates for the grant vehicle to transfer.

Mayor Short suggested that they add an exception in for that vehicle.

Council Member Balkum mentioned that the grant company could say no. She questioned what timeframe Mr. Paschall would recommend.

Mr. Paschall replied that he was in favor of the way it was currently written, unless Chief Murphy objected. It would give them a February 28, 2019 deadline for that vehicle, with the drop dead date being September 30, 2019. If it did become a problem past that point, the two chiefs could explain that issue to the Council.

Council Member Balkum clarified that they would need to be given a copy of the letter from Chief Murphy requesting the transfer.

**Turnbull moved to accept 6.2 as written, seconded by Council Member Herren. A vote was cast and the motion carried unanimously.**

Mayor Short moved on to 6.3.
Turnbull motioned to accept 6.3 as written. Bloom provided a second to the motion. A vote was cast and the motion carried unanimously.

Mayor Short moved on to 6.4.

Turnbull moved to strike 6.4, since all the requirements had been previously stricken related to that by Mayor Pro Tem Turnbull. Larkin seconded the motion. A vote was cast and the motion carried unanimously.

Mayor Short moved on to 6.5.

Motion to accept 6.5 as written by Mayor Pro Tem Turnbull, seconded by Council Member Bloom. The motion carried unanimously.

Mayor Short moved on to section 7.1.

Motion to accept 7.1 as written, with the included grammar change, by Mayor Pro Tem Turnbull. Council Member Bloom seconded. The motion carried unanimously.

Mayor Short moved on to 7.2.

Mayor Pro Tem Turnbull commented that because MCVFD already had the insurance coverage through May, it was a moot point. He questioned Mr. Paschall if the section needed to remain in the document.

Mr. Paschall questioned who would continue the insurance if the asset had not transferred prior to the current insurance policy expiring.

Ms. Palomba clarified that if MCFR was utilizing the asset and could provide proof of such to their insurance company, MCFR could insure the asset.

Motion to leave 7.2 in the document and MCFR would pay that bill by Mayor Pro Tem Turnbull, seconded by Council Member Larkin. The motion carried unanimously.

Mayor Short moved on to 7.3.

Motion to accept 7.3 as written by Mayor Pro Tem Turnbull, seconded by Council Member Herren. The motion carried unanimously.

Mayor Short moved on to section 8.1.

Motion to accept 8.1 as written by Mayor Pro Tem Turnbull, seconded by Council Member Larkin. The motion carried unanimously.

Mayor Short moved on to 8.2.

Motion to accept 8.2, including subcategories as written by Mayor Pro Tem Turnbull, seconded by Council Member Bloom. The motion carried unanimously.
Mayor Short moved on to 9.1.1.

**Motion to accept 9.1.1 as written by Mayor Pro Tem Turnbull, seconded by Larkin.** The motion carried unanimously. Mayor Short called for the vote. The motion carried unanimously.

Mayor Short moved on to 9.1.2.

**Motion to accept 9.1.2 as stricken by Council Member Herren, seconded by Mayor Pro Tem Turnbull.** The motion carried unanimously.

Mayor Short moved on to 9.1.3.

**Motion to accept 9.1.3 as written by Mayor Pro Tem Turnbull, seconded by Council Member Herren.**

Council Member Balkum mentioned that she had just received the copy of the bylaws that day and she had not had the opportunity to finish reading them.

Council Member Larkin questioned if they were operating under the 2018 bylaws.

Mr. Paschall replied that he had the most current copy and was not sure if they had been amended or not.

Council Member Balkum questioned if Mr. Paschall had seen anything in the bylaws about dissolving the non-profit.

Mr. Paschall replied that he had not seen any resolutions regarding them being dissolved.

Council Member Balkum clarified her question.

Mr. Paschall did not recall seeing that in the bylaws, but it was not unusual for them to amend their bylaws.

**Mayor Short called for the vote.** The motion carried with 4 in favor, 1 opposed (Balkum).

Council Member Balkum stated that her reason for being opposed was that she did not have the chance to review all the bylaws.

Mayor Short moved on to 9.1.4.

**Motion to accept 9.1.4 as written by Mayor Pro Tem Turnbull, seconded by Council Member Bloom.** Mayor Short called for the vote. The motion carried unanimously.

Mayor Short moved on to 9.1.5.

**Motion to strike the section, in its entirety by Mayor Pro Tem Turnbull, seconded by Council Member Balkum.**
Mayor Pro Tem Turnbull commented the reason to be stricken was that they already had a timeline and a Fire Chief who oversaw all the assets.

**Mayor Short called for the vote. The motion carried unanimously.**

Mayor Short moved on to 9.2.

Mayor Pro Tem Turnbull questioned if that would conflict with the terms of the agreement, if everything was done prior to that time.

Mr. Paschall suggested changing the last phrase to, "upon termination of this agreement."

**Motion to accept 9.2 with the wording amended as suggested by Mr. Paschall by Mayor Pro Tem Turnbull and striking the word in red, seconded by Council Member Herren. Mayor Short called for the vote. Motion carried with 4 in favor, 1 opposed (Balkum).**

Mayor Short moved on to 9.3.

**Motion to strike 9.3 by Mayor Pro Tem Turnbull, seconded by Council Member Bloom. The motion carried unanimously.**

Mayor Short moved on to section 10.1.

**Motion to accept 10.1 as written by Mayor Pro Tem Turnbull and seconded by Council Member Balkum. Mayor Short called for the vote. The motion carried unanimously.**

Mayor Short moved on to 10.2.

**Motion to accept 10.2 as written by Mayor Pro Tem Turnbull, seconded by Council Member Larkin. The motion carried unanimously.**

Mayor Short moved on to 10.3.

**Motion to accept 10.3 as written by Mayor Pro Tem Turnbull.**

Mr. Paschall mentioned substituting the word performance in place of enforcement in the first and last line. He stated that had been an error on his part.

**Herren seconded the motion. The motion carried unanimously.**

Mayor Short moved on to section 11.

**Motion to accept Section 11 as written by Mayor Pro Tem Turnbull, seconded by Bloom. The motion carried unanimously.**

Mayor Short moved on to section 12.
Motion to accept 12 as written by Mayor Pro Tem Turnbull, seconded by Council Member Larkin. The motion carried unanimously.

Mayor Short moved on to section 13.

Council Member Herren suggested they move to accept the remainder of the document as written.

Mayor Short replied that unless someone had a specific section, they had an issue with, they could do a general consent motion for the remainder of the document.

Motion to accept sections 13, 14, 15, 16, 17 and 18 as written by Mayor Pro Tem Turnbull. Council Member Herren seconded the motion to accept remaining items as written. A vote was cast and the motion carried unanimously.

Mayor Short called for a recess at 10:34 p.m.

Mayor Short reconvened the meeting at 10:44 p.m.

12. Interlocal Agreement for Fire Protection Services. Mayor Pro Tem Turnbull recommended moving this item to the following meeting, since they had not completed the contract. No action was taken on the item.

13. Interlocal Agreement with Rockwall County for Emergency Dispatch Services. Mayor Pro Tem Turnbull recommended moving this item to the following meeting, since they had not completed the contract. No action was taken on the item.

14. McLendon-Chisholm Fire Rescue Budget 2017-2018. Discussion and action regarding expenditure of funds in an amount not to exceed $20,000 for renovations to existing MCVFD station.

Mayor Pro Tem Turnbull questioned Ms. Palomba if the reason why the item was on the agenda was because they wanted the monies expended out of the current fiscal year's surplus, rather than the next year's budget.

Ms. Palomba replied that she had spoken with the accountant at length and he spoke with the auditor. The accountant suggested they open a separate bank account for fire renovations and set aside the money in that account. The transfer would need to be complete prior to the end of the fiscal year.

Motion to allocate the $20,000 for renovation to station one with no expenditures to be made until the station was city property. However, the fund should be placed in a separate account and held in escrow until that time by Mayor Pro Tem Turnbull.

Mayor Pro Tem Turnbull clarified that none of the funds could be spent until the title was in the City's name.

Herren seconded the motion. A vote was cast and the motion carried unanimously.
Mayor Short stated that they were going to move forward to number 18.

18. Mayor Short recessed to executive session at 10:50 p.m. in accordance with Government Code Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Administrator, Assistant City Administrator, City Secretary/Treasurer; Fire Chief/Fire Marshal and Administrative Assistant; and Item 16. McLendon-Chisholm Fire Rescue vehicle estimate time of arrival.

19. Mayor Short reconvened into regular session at 12:17 a.m.

20. No action had been taken in the Executive Session.

Mayor Pro Tem Turnbull stated that when they earlier discussed the fire contract, he mentioned they needed to identify assets and liabilities as they existed at the close of business September 30, 2018. MCFR would not be responsible for any liabilities as of that date.

Motion to amend what had been done by Mayor Pro Tem Turnbull, seconded by Council Member Bloom. The motion carried unanimously.

Mayor Pro Tem recommended tabling all remaining items to the next meeting and requested they schedule a special meeting. Discussion concluded that the Special Meeting would be held on Wednesday, September 26, 2018 at 6:30 p.m.

Mayor Pro Tem Turnbull stated that the agenda would consist of any items that were not completed on the September 24 meeting.

Mayor Short called for the vote to hold the Special Meeting. A vote was cast and the motion carried unanimously.

The following items were tabled until the next meeting:

17. McLendon-Chisholm Fire Rescue Administration.


22. Salary Scale for City jobs.


26. Ordinance for Agenda Preparation.

27. Printed Error Claim by a Citizen who Attended Town Hall Meeting.

20
28. Council Member Reimbursement.

29. Updates, Discussion and Direction to Staff:

30. Council Member Reports and Announcements


31. Mayor Pro Tem Turnbull moved to adjourn. The meeting adjourned on Tuesday, September 18 at 12:21 a.m.

ATTEST:

Lisa Palomba, City Secretary

APPROVED:

Keith Short, Mayor