



CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
August 27, 2019

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, August 27, 2019, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Keith Short	Mayor
	Jim Bloom	Mayor Pro-Tem
	Nathan Hodges	Council Member
	Lorna Kipphut	Council Member
	William Dahl	Council Member
	Trudy Woessner	Council Member
Staff Present:	Lisa Palomba	City Administrator/City Secretary
	Jim Simmons	Fire Chief

1. CALL TO ORDER

Mayor Short called the meeting to order at 6:30 p.m.

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Council Member Hodges delivered the Invocation and led the Pledge of Allegiance to the U.S. and Texas Flags.

3. RULES OF DECORUM

Mayor Short announced the Rules of Decorum are in place and are to be observed throughout the meeting.

4. CITIZEN COMMENTS

No Citizen Comments

5. APPROVAL OF MINUTES

5.1. August 6, 2019 Special Work Session

MOTION: APPROVE MINUTES OF THE AUGUST 6, 2019 SPECIAL WORK SESSION AS CORRECTED.

MADE BY: Council Member Hodges
SECONDED BY: Council Member Kipphut
APPROVAL: Unanimous

5.1. August 12, 2019 Special Work Session

MOTION: APPROVE MINUTES OF THE AUGUST 12, 2019 SPECIAL WORK SESSION AS CORRECTED.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Bloom
APPROVAL: Unanimous

6. ITEMS FOR CONSIDERATION

6.1. Public Hearing, discussion and action considering the application of J.K. Webb Properties requesting an amendment to the existing Kingsbridge Planned Development Office 1 Zoning District to change the rear building setback to 15' and to allow a maximum lot coverage requirement of 80% for a purchasing office to be built. The property location is described as 1.065 acres, also described as 5763 South State Highway 205, as described in Exhibit D of the Kingsbridge Planned Development District, McLendon-Chisholm, requested by Kevin Webb.

City Planner, Maxwell Fisher, presented the following report:

APPLICANT: J. K. Webb Properties
5763 South State Highway 205
Rockwall, Texas 75032

LOCATION: 5763 South State Highway 205

ZONING: PD (Kingsbridge)

REQUEST:

The applicant requests approval of an amendment to a portion of the existing Planned Development District for Office (PD-O1)

PROPERTY OWNER: J. K. Webb Properties
5763 South State Highway 205
Rockwall, Texas 75032

REPRESENTATIVE: Kevin Webb

PLANNING & ZONING COMMISSION RECOMMENDATION: The Planning and Zoning Commission, by a vote of 5 to 0, recommended approval of the proposed request per staff recommendation.

STAFF RECOMMENDATION: APPROVAL of a new 'subarea' within the PD-O1 portion of the Kingsbridge PD per the amending conditions contained in the docket.

BACKGROUND INFORMATION:

The request site is a portion of the larger PD for Kingsbridge which contains approximately 227 acres of land. Contained in the overall PD are separate Land Use Classifications which were established with defined areas in Exhibits attached to the PD. This site is located in the area designated as Office (PD-O1) and contains approximately 13.34 acres of land as described in Exhibit D in the PD.

The PD-O1 area is defined as permitting the development of low intensity office buildings and associated accessory uses. Land uses allowed in PD-O1 are those allowed in the City's O1 zoning district. The development standards are defined in the PD. The O1 area of this PD allows a maximum height of 35 feet and a maximum lot coverage of 50% of the lot area which includes buildings, parking spaces or other impervious materials.

The existing Zoning Ordinance for the City of McLendon Chisholm defines lot coverage as "the percentage of the total lot area of a lot occupied by the base (first story or floor) of buildings located on a lot." This definition differs from that contained in the existing PD. The proposed amendment would create a new tract within the PD-O1 portion of the larger Kingsbridge PD that would be regulated separately from the remainder of the existing PD-O1 tract.

The proposed subarea would allow lot coverage by the same standards as the O1 District in the remainder of McLendon Chisholm. The maximum lot coverage in the O1 District is 50% and would be defined as in the zoning ordinance, i.e. limited to area of the first floor of the building. The existing PD-O1 tract established development standards based on those in an O1 District with some exceptions which the existing development and proposed new building must currently follow. Included in your docket material is a Site Plan for illustrative purpose only. The PD requires a Site Plan to be reviewed by the P&Z and approved by the City Council prior to the issuance of a building permit. The attached Site Plan does not contain enough information to qualify as a Development Plan and one will be required prior to issuance of a building permit. The existing PD has its own development standards and therefore the commercial development standards contained in Section 4-13 do not apply in this instance.

The proposed development of an additional office building is appropriate at this location. The existing land use to the northwest is a commercial development, the Oasis Beach and Tennis Club; the other surrounding areas are undeveloped and either are contained in the same PD-O1 tract or outside the City limits. The scale of the proposed office building is of the same character as the existing building and will blend in with the surroundings. The proposed change in development standards for lot coverage is in keeping with that allowed in the existing O1 district found in the Zoning Ordinance.

COMPREHENSIVE PLAN: The Future Land Use Map of the Comprehensive Plan (see attached) recommends Commercial uses for this Site. The requested Plans comply with the Comprehensive Plan.

STAFF RECOMMENDATION: APPROVAL.

The proposed new 'subarea' within the PD-O1 portion of the larger Kingsbridge PD is appropriate for this location and the proposed office building is of the scale of the existing building.

PROPOSED AMENDING CONDITIONS:

Amending conditions for PD-O1; Subarea 1 within the PD-O1 for the Kingsbridge PD will consist of Lot 1, Block A of Kingsbridge Phase 2A.

Existing Office (PD-O1) regulations:

Buildings, structure and land within the O1 Area shall be developed in accordance with area and dimensional regulations as provided in the O1 District, with the following exceptions:

- a. **Rear Setback:** 15 feet
- b. **Maximum lot coverage:** 50% of the lot area is the maximum area to be covered by buildings, parking spaces or other impervious materials, except that Subarea 1 within the O1 Area will have a maximum lot coverage of 40% as defined in the zoning ordinance of the City of McLendon-Chisholm.
- c. In Subarea 1, those provisions contained in the Zoning Ordinance, Section 4-13 Commercial Development Standards, E.1. Building Form for maximum single floor area and maximum length of any building wall do not apply.
- d. In Subarea 1, parking must comply with Section 6-7 Off-street parking and loading requirements, except for the use listed as Other Office or Professional Business must provide parking at a ratio of one space per 330 sq. ft. of floor area.

Council Member Bloom asked about ADA requirements.

City Planner Fisher stated those requirements would be addressed during the permit stage.

Mayor Short opened the public hearing at 6:39 p.m.

Bob Hermann - That particular area tends to be a little congested. I am wondering, with all the activity going on around there, what the City's plan is as far as safety, or the developer's plan for safety.

Mayor Short explained he cannot answer his questions, but TxDOT has certain formulas for determining how they put in signal lights, stop signs, and all those different kinds of things.

Bob Herman - I think the City should be engaged with TxDOT, especially with the additional development coming.

Mayor Short closed the public hearing at 6:42 p.m.

MOTION: Approval of the application of J.K. Webb Properties requesting an amendment to the existing Kingsbridge Planned Development Office 1 Zoning District to change the rear building setback to 15' and to allow a maximum lot coverage requirement of 40% for a purchasing office to be built per the recommendation of the Planning and Zoning Commission and the proposed amending conditions contained in the docket material.

MADE BY: Council Member Dahl
SECONDED BY: Council Member Bloom
APPROVAL: Unanimous

City Administrator Palomba pointed out that upon approval of this item, an ordinance will be presented at the next meeting.

6.2. Discussion and action regarding a Development Plan and Landscape Plan for property related to the application of J.K. Webb Properties requesting an amendment to the existing Kingsbridge Planned Development Office 1 Zoning District for a purchasing office to be built. The property location is described as 1.065 acres, also described as 5763 South State Highway 205, as described in Exhibit D of the Kingsbridge Planned Development "District, McLendon-Chisholm, requested by Kevin Webb.

City Planner, Maxwell Fisher, presented the following staff report:

APPLICANT: J.K. Webb Properties
5736 South State Highway 205
Rockwall, TX 75032

LOCATION: 5763 South State Highway 205

ZONING: PD (Kingsbridge)

REQUEST:

The applicant requests approval of a Development Plan and Landscape Plan for a portion of the existing Planned Development District for Office (PD-O1)

PROPERTY OWNER: J.K. Webb Properties
5763 South State Highway 205
Rockwall, TX 75032

REPRESENTATIVE: Kevin Webb

BACKGROUND INFORMATION:

The request site is a portion of the larger PD for Kingsbridge which contains approximately 227 acres of land. Contained in the overall PD are separate Land Use Classifications which were established with defined areas in Exhibits attached to the PD. This site is located in the area designated as Office (PD-O1) and contains approximately 13.34 acres of land as described in Exhibit D in the PD.

The PD-O1 area is defined as permitting the development of low intensity office buildings and associated accessory uses. Land uses allowed in PD-O1 are those allowed in the City's O1 zoning district. The existing PD (and amendment proposed by the applicant) requires approval of a Development Plan and Landscape Plan by the City Council after a recommendation by the Planning and Zoning Commission.

The proposed Development Plan calls for a new one-story office building with approximately 7200 square feet of floor area. The proposed Plan complies with the parking requirements in the existing Zoning Ordinance and the setbacks in both the existing Zoning Ordinance and as proposed in the amendment.

The proposed Landscape Plan delineates the existing landscaping/trees on the site and added landscaping in conjunction with the proposed building.

The proposed development of an additional office building is appropriate at this location. The existing land use to the northwest is a commercial development, the Oasis Beach and Tennis Club; the other surrounding areas are undeveloped and either are contained in the same PD-O1 tract or outside the City limits. The scale of the proposed office building is of the same character as the existing building and will blend in with the surroundings. The proposed change in development standards for lot coverage is in keeping with that allowed in the existing O1 district found in the Zoning Ordinance.

COMPREHENSIVE PLAN: The Future Land Use Map of the Comprehensive Plan (see attached) recommends Commercial uses for this Site. The requested amendment complies with the Comprehensive Plan.

STAFF RECOMMENDATION: APPROVAL.

The proposed new 'subarea' within the PD-O1 portion of the larger Kingsbridge PD is appropriate for this location and the proposed office building is of the scale of the existing building.

MOTION: APPROVE AN AMENDMENT TO THE EXISTING KINGSBRIDGE PLANNED DEVELOPMENT OFFICE 1 ZONING DISTRICT FOR A PURCHASING OFFICE TO BE BUILT PER THE RECOMMENDATION OF THE PLANNING AND ZONING COMMISSION.

MADE BY: Council Member Hodges
SECONDED BY: Council Member Kipphut
APPROVAL: Unanimous

6.3. Discussion and direction to staff regarding all matters related to the proposed Budget for Fiscal Year starting October 1, 2019 and ending September 30, 2020 including but not limited to expected revenues and expenditures, debt obligations, fund balance policy, effective and rollback tax rates and future public hearings.

Mayor Short made the following statement prior to opening discussion of this item:

Folks, we will be opening the public hearing on the tax rate momentarily and everyone will have an opportunity to speak. Before we do that, I want to say a few words, and provide Council an opportunity to say a few words, about the proposed budget and the tax rate that supports the budget and staff is requesting direction from Council regarding the proposed Fund Balance Policy.

First - No one enters office wanting to raise taxes. However, when Council reviewed the first draft budget based on the rollback rate of 0.119743 per \$100 valuation, it was abundantly clear that adopting the rollback rate would not generate the tax revenue needed to continue current service levels and plan appropriately for the future.

Council looked for items to cut but the truth is the City operates on a very lean budget. There is no fluff, no frivolous items.

I want to mention a few reasons why Council has proposed a Budget generating revenue in the amount of 1.3 million dollars with a tax increase from 0.150000 (15 cents) to 0.165000 (16.5 cents) to support the Budget. This proposed increase will cost the average McLendon-Chisholm homeowner approximately \$65 per year.

- The rollback rate for FY 2019-2020 is lower than the effective rate this year due to extra debt payments that were applied the last two years. The extra

debt payments “pushed” the rollback rate to a much higher number as debt service may rise as high as necessary to cover debt expenses including scheduled debt payments and any extra debt payments.

- This Council has indicated a preference to move funds from the debt side to the operating and maintenance side of the budget where funds are needed most to maintain and enhance services. This causes the rollback rate to decrease. This explains why the rollback rate is lower than the effective rate this year.
- In a past election, citizens voted for a portion of sales tax to be dedicated to property tax relief. This also causes the rollback rate to shrink by approximately a penny.
- The City also provides a 65 and older tax exemption. While great for our older population it does cause a loss of revenue.
- Currently the City has surplus funds but those funds are not dedicated for a particular purpose. This could cause confusion for the public as it may appear funds are available for general operating expenses and could suggest that a tax rate increase is unnecessary. Most cities maintain some level of fund balance and/or plan for future major purchases by establishing a Capital Improvement Fund. Fund balance amounts vary from city to city as priorities are determined by Council. Smaller cities generally maintain a higher level of fund balance as a percentage of the budget as compared to larger cities due to smaller cities having fewer revenue sources. A fund balance policy allows a city to consider fund balance needs when budgeting and setting a Tax Rate.
- A fund balance policy allows the City to dedicate funds for assigned or unassigned uses. The proposed 0.165000 Rate will provide a surplus of funds for 2019-2020 that may be applied to various fund balances including a Fire Capital Replacement Fund. A Fire Capital Replacement Fund will allow for the city to accumulate funds over time to replace outdated or worn equipment for the purpose of purchasing a new fire engine or other apparatus as considered necessary. A new fire engine could cost as much as \$800,000. Rather than issuing new debt when the replacement engine is required, adequate fund balance would allow the City to purchase the needed equipment without acquiring any new debt. Additionally, the City's financial advisors suggest a fund balance policy for other uses such as revenue shortfalls or emergencies.
- If the City only adopts the rollback Tax Rate, the City will consume existing surplus in FY 2020-2021 when the SAFER Grant funds dwindle and the City

must fund an additional \$218,000. Further, fire department operations will be unable to continue at the same service level when the SAFER Grant expires in FY 2021-2022 when the City must fund an additional \$252,000. Adopting only the rollback rate will not allow the City to adequately plan for unforeseen events or replacement of capital equipment.

- TxDOT is proposing a payment of 4.5 million dollars for a replacement fire station (See Item 6.7). This station will serve the City for many years and will not cost taxpayers anything to build. However, the station will not have adequate personnel for 24/7 fire operations without an increase in revenue when SAFER Grant funds expire.
- The proposed 0.165000 also allows for funds for code enforcement services allowing the City to enforce current ordinances related to health, safety welfare and protection of property values. Presently, the City does not have a Code Officer on staff.
- The proposed 0.165000 allows for modest raises for some staff to be determined by Council and allows for the hiring of additional City Hall staff should the need arise during the year. No additional staff will be hired without Council approval.

Council? Comments regarding the proposed budget?

Is there direction to staff to move forward with the Fund Balance Policy for consideration on the next agenda? Any changes from the draft that was provided in the packet?

Council Member Kipphut - I think establishing a fund balance policy is really a smart way to go. It seems to me like it's a savings account that's for specific things such the equipment replacement, the sewer maintenance fund, the Sonoma Verde road bonds. Having all that money identified as certain pots, will be fiscally responsible. I would like to suggest that we do adopt that fund balance policy. We've got to be fiscally responsible.

Council Member Bloom - I would just like to add that I agree with Council Member Kipphut. Just like any household living paycheck to paycheck, you're always at the risk of some unforeseen situation creating dire consequences. I don't want that for the City. The budget we're talking about later doesn't even include any raises for the firemen, so they'll actually be making less next year than they are this year just based on inflation. We still have other things, we have roads that are almost third-world. I've talked to people from all over the state about the importance of owning our own water. Right now, we're kind of a hostage to RCH and that's nothing to be on the agenda anytime soon but it is something that's going to be addressed someday. It feels good to say keep taxes super low, but

we're having to pay for some of those decisions made previously and it's time to make the tough decisions, in my opinion, to do the right thing for the city moving forward.

Mayor Short asked the council for direction to the staff to move forward with the fund balance policy for consideration on the next agenda or on the next city council meeting agenda

Council Member Kipphut asked the City Administrator if she recommend going 50/50 or did she recommend less with the \$60,000 surplus they will have.

City Administrator Palomba stated it was up to the Council. She reminded them that it can be amended as needed.

Council Member Kipphut stated she would also like to think that we would put the funds we are going to be getting from MCVFD directly into the capital projects fund.

Mayor Short stated that he would like to see a recommendation from Lisa and Ray based on talking to Chief and his needs so that we can look at maybe we need a little more over here, not necessarily 50/50, maybe 60/40, 70/30. I think we see what the recommendation is. We may come right back to Council saying 50/50, but I would like to have the resident experts in those areas give us their recommendation and then we'll move from there.

City Administrator Palomba stated she will get with Ray for a formal recommendation to present at the next meeting, or by the 24th.

Mayor Short thanked the Council and stated that from his perspective the proposed Budget and Tax Rate is reasonable and fiscally responsible

6.4. A Public Hearing will be held to receive comments regarding setting the Tax Rate to \$0.165000 per \$100 valuation on all taxable property for Fiscal Year starting October 1, 2019 and ending September 30, 2020.

Mayor Short opened the public hearing at 6:59 p.m.

Jody Wright, 1513 Barrolo Dr. - First of all, I want to acknowledge this council for hosting authentically led town halls. I think that is really important to acknowledge where our city is growing and how this council is truly requesting feedback. Having said that, as you prepare for the next public hearing on September 10th about the proposed tax rate, as a citizen first, there are a lot of questions as to why this tax rate is necessary. Mayor Short, I thought you did a really nice job of providing the overview a short while ago. So, thank you for that. I certainly understand having been present for a number of council meetings over the last few years that you are not left with a surplus budget. This council, in particular, came in having to make up quite a bit of deficit based on some predecessors' decisions. What I would ask though, as you prepare for the next public hearing, is more

transparency. There is a lot of emotionally charged inaccurate information being relayed through different forums, primarily through social media. We are emotionally charged and when you connect with somebody emotional, people react emotionally. Anybody objective understands that. What I would ask, and there are certain members of the council that I definitely thank for all of the transparency you've provided. But as a whole, I think it could be increased and I think providing real factual objective information to the public at large will be necessary for us to get over what I perceive as a little bit of this apathetic mentality that many of the voters of McLendon-Chisholm have right now. They're tired, they're tired and so you know to get some objective facts, non-emotional, but based off of historically where we're at, where we are going and why you need this city support behind you. I think that would be really powerful. So that would be my ask and I thank you for the time and I thank you for the information provided tonight.

Council Member Hodges. You want more transparency, how do we do that?

Jody Wright. I think you have it with social media Council Member Hodges. That is where the bulk of the emotionally charged information is coming and is a forum that a select few have chosen to connect with citizens. I don't know that they have a huge audience, but the point is you fight fire with fire. I mean that's what we do.

Council Member Hodges. I posted on my Facebook page that we were having a work session and encouraged people to come and there were two people here that night. I don't know what else we as a Council can do.

Mayor Short. Social media is a very dangerous tool. Something that was taught to us who have been through the newly elected officials training is, we are accountable for anything we put on those pages. Even though we may convey it the right way, they can twist that and it against us. That's a very dangerous tool and the way people are using it, I don't need a city government have battles on social media. We are more than happy to be transparent and put things on our city's website. But as far as social media, I don't agree with the Council doing that.

Jody Wright. As a true fiscal conservative, my reaction is always cut expenses before we raise taxes. What are our expenses and Mayor I heard you say that we run incredibly slim? I don't doubt that, but I'm here to hear that. Does the general public know that? Do they understand that?

Mayor Short. For anyone who has questions, we are accessible and we will answer those questions as long as it doesn't violate any law. There are some things that we can't give you an answer for. We are trying to be transparent and we are trying to get the information out there.

Terrell Miller, 35 Windsor Dr. I just want to thank you for your service to the community and to the city. I elected you to come up here and make these hard decisions, go through

these things, get into the nuts and bolts of that, to make the decision. I view y'all as having no personal agendas, looking out for the city as a whole and I want to thank you for doing that.

David Black, 1419 Siena Lane. I agree that about transparency, but I could quantify the transparency a little bit. How did you determine 16.5 was the number? Is there a budget for these funds? Is there a target for these separate funds you are setting up, which I agree it's good to set up reserve funds? But what's the plan for the money. Which money goes into which fund and that's not transparent so that does breed a lot of questions I suspect. Don't use social media, use the city's website. The funds are dwindling so it is good to have this reserve fund. It's good to see the numbers and how you came up with the money.

Council Member Dahl. Our CPA recommended that tax rate specifically as a break-even number for when the SAFER grant sunsets.

Mark Kipphut, 31 Fireside. In reviewing the recommended tax rate, I would challenge the council to do a little better job as has been heard tonight to validate that 0.165. I want to applaud the council for it's hard work and work it's doing for the city. I know each of you work hard. You're also taking on some very important issues that need to be addressed. These are questions that were created by Mayor Steinhagen and the prior two city councils that delivered unfulfilled requirements relative to unfunded requirements relative to ordinance enforcement, animal control, and ultimately fire. I fully support the need to, at a minimum, sustain the 15-cent tax rate and can be convinced it goes to 16 and a half. But you haven't convinced me yet. I believe the Chief has done a good job of scrubbing the numbers as you have gone through the work sessions. There were a lot of unnecessary and hasty decisions that were made first by Mayor Steinhagen and then by the prior council that forced through a creation of the city fire department against the recommendation of Chief Simmons. I think during that transition period he began to understand the need to have a more measured transition involving the MCVFD into the MCFR. I remind my fellow citizens that while we worry about this tax rate moving forward, the tax rate moving forward is a result of the tax rate or the budget excesses that occurred in the past. I know the city staff works hard and I encourage a relook at the city staff positions to make sure each job is positioned properly for success. As far as reserves, I am the strongest supporter there is that I know to create a discipline set of city reserves. Regarding future city services, we have to start planning now.

Bob Hermann, 1248 Wales Dr. I see that city planning is very important and city taxation is very important. I'm not opposed to a tax increase, but at the same time I don't know all the relative issues as to why. We are due for a major recession, and I'm sure you all know that. It's due for about 2021 from all the strategic planning. I think there are issues out there that this city is going to have to address relative to income and taxation. One thing you might look at is refinancing your bonds at a lower rate. Finally, with all the development going on around here, I think we need a liaison to deal with TxDOT.

Mayor Short closed the public hearing at 7:36 p.m.

Council took a recess at 7:36 p.m. and returned at 7:45 p.m.

6.5. Discuss the proposed Tax Rate and announce the second Tax Rate Public Hearing will be held September 10, 2019.

Council Member Bloom pointed out that the \$0.165 is the maximum tax rate and they haven't set that officially. I think all the input we have received tonight is helpful and we take it very seriously. We are working towards a fiscally responsible budget that makes sense and is completely transparent.

Council Member Woessner stated there are few cities that say they are uniquely served and that Rockwall County is proud to have us in their county. We are fighting every day to stay one and a half acres or larger to minimize changes and to keep taxes low. It's unfortunate that we have previous council members not have the vision of the 2019-2020 council who is having to mend their premature decisions. Yes, times are changing and McLendon Chisholm will have to grow with the times. But we don't have to lose who we are. If we go back to the rollback at \$0.12, I consider that we are saying that we are willing to file bankruptcy. To me, we will no longer have a fire department, period, end of discussion. I feel like we would have to go into the unincorporated area which would end up making us go into Rockwall and end up paying their taxes. Eventually that is what we would have to do if we go back to the twelve-cent rollback. If we stay at the fifteen cents, we will only be paying \$130 more than the rollback and to me it's almost like living check-to-check. You are taking a gamble and rolling the dice that businesses will come in and try to relieve us of any type of taxes being raised. But we can actually stay with the fire department that we have now, but just barely making it – check to check. If we go to the sixteen and a half, to me that is the better way to go. It's almost like a business investment. You would be paying \$195 a year more. We would be able to fund the fire department. We would actually have security of a solid plan for McLendon-Chisholm. It's kind of like planning for your retirement and that's just what makes sense to me. I think people tend to forget that we're not doing this to you, because we live here too. We're the ones who are being affected just like everyone else. Also, you should know that we volunteer up here, we all have families and jobs. If anybody has a better idea, or any ideas, that you think that we're not hitting on, there's a website, Lisa has an e-mail, we each have e-mails, don't be shy. Come to us with something that is solid. If you can prove it and be transparent, bring it.

Council Member Kipphut asked if it would be beneficial to have a town hall.

Council Member Hodges pointed out they have already had two work sessions that nobody showed up at. If we knew fifty people would show up and we would get feedback,

I'd be all for it. If the Council is willing to do that, I'm open to it. I'm all for being transparent, but transparency is a two-way street.

Council Member Woessner pointed out they cannot do it for them. They have to bring their questions to us.

Council Member Kipphut stated the transparency upsets her because there are so many different sources for getting information.

Bob Hermann suggested they put in writing why we're in this position.

6.6. Discussion and action regarding consideration of a Letter of Engagement with Wildan Financial Services to prepare a wastewater long-term financial plan including a wastewater rate analysis for an amount not to exceed \$9,000.

City Administrator Palomba gave background information regarding this item. She explained that Sonoma Verde subdivision is the only subdivision in McLendon-Chisholm receiving off-site sanitary services at this time. The City of Rockwall is a customer of North Texas Municipal Water District (NTMWD). The City of Rockwall invoices the City of McLendon-Chisholm for wastewater treatment. Any increase in fees from NTMWD is passed through to Rockwall and then passed through to McLendon-Chisholm. Residents of Sonoma Verde receive a monthly \$55 invoice for sewer services.

A sewer rate study was conducted in 2013 which indicated a suggested rate of \$69 per month. This study stated the recommended fee may need to be adjusted as conditions change. In 2016, the City Council reduced the rate to \$55. This current rate is inadequate to cover expenses and the rate for treatment increased in 2018 and is projected to increase again this year and each year thereafter for the unforeseeable future.

At the August 12, 2019 City Council Work Session, Dan Jackson, representative for Wildan Financial, provided information to Council related to conducting a rate study. The proposal includes a rate comparison of the City's current and proposed rates to the state average and surrounding communities; acquisition of data for analysis; updating the rate model and preparation of alternative rate plans. When completed, Mr. Jackson will present his findings and recommendations to Council.

Wildan Financial has proposed a fee not to exceed \$9,000 for the study. This fee can be paid with funds in the utility fund in the current budget. The study will take approximately two months after the information has been gathered.

Council Member Hodges pointed out that this would take the politics out of the decision for the establishment of this rate.

City Administrator Palomba stated it would provide justification for the rate.

MOTION: APPROVE THE EXECUTION OF A LETTER OF ENGAGEMENT WITH WILDAN FINANCIAL SERVICES TO PREPARE A WASTEWATER LONG-TERM FINANCIAL PLAN INCLUDING A WASTEWATER RATE ANALYSIS FOR AN AMOUNT NOT TO EXCEED \$9,000.

MADE BY: Council Member Bloom
SECONDED BY: Council Member Hodges
APPROVED: Unanimous

6.7. Discussion and action regarding a Resolution accepting and approving the Texas Department of Transportation (TxDOT) Technical Report estimating a cost of \$4,538,718 to construct a new fire station to replace the existing McLendon-Chisholm Fire Rescue Station currently located on 1250 S. State Highway 205 as a result of proposed acquisition of the property by TxDOT for the purpose of widening State Hwy. 205

City Administrator Palomba explained that TxDOT, through an independent evaluator, has determined the estimated cost to construct a new fire station that meets all requirements for the McLendon-Chisholm Fire Rescue Station to replace the existing fire station is \$4,538,718. At this time, TxDOT is requesting the City provide a gesture of approval regarding the Technical Report including the replacement amount in order to move forward with a formal offer for fire station replacement costs.

Staff feels this is a fair amount to cover the cost of construction of a new fire station.

Council Member Hodges asked what will happen if the cost is over this amount.

City Administrator Palomba stated the City will have to cover the difference. However, Chief Simmons feels like this will be more than adequate.

Council Member Woessner asked what would happen to any money left over.

Chief Simmons stated it would stay in the department and have to be used for the facility.

Council Member Dahl asked about the money the City will receive from TxDOT for the acquisition of the property.

City Administrator Palomba stated they have not received an amount yet.

MOTION: APPROVE A RESOLUTION ACCEPTING AND APPROVING THE TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT) TECHNICAL REPORT ESTIMATING A COST OF \$4,538,718 TO CONSTRUCT A NEW FIRE STATION TO REPLACE THE EXISTING McLENDON-CHISHOLM FIRE RESCUE STATION CURRENTLY LOCATED ON 1250 S. STATE HIGHWAY 205 AS A RESULT OF PROPOSED ACQUISITION OF THE PROPERTY BY TxDOT FOR THE PURPOSE OF WIDENING STATE HWY. 205.

**MADE BY: Council Member Hodges
SECONDED BY: Council Member Bloom
APPROVED: Unanimously**

7. REPORTS

- 7.1. Budget Report July 2019
- 7.2. Building Official Report July 2019
- 7.3. Sheriff's Report July 2019
- 7.4. McLendon-Chisholm Fire Rescue Report July 2019

No Reports

8. UPDATES, DISCUSSION AND DIRECTION TO STAFF

No Updates, Discussion or Direction to Staff

9. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

- 9.1. Mayor Short's Reports and announcements

Reminded everyone that Labor Day is coming up and we should be aware of extra traffic.

Reminded everyone that school has started and they should be aware of the kids.

Reported the Town Hall meeting with Senator Hall was a success and urged everyone to attend this type meeting in the future.

8.2. Council Member Kipphut's reports and announcements

The Brick Campaign is going well and about 60 bricks have been ordered. Reminded everyone that the deadline for the first order is September 13. They will be sending out an agenda for the Veteran's Day ceremony on September 11th.

She and Lisa have completed the initial scrub of the website and will continue to work on it as time allows.

8.3. Council Member Hodges' reports and announcements

None

8.4. Council Member Woessner's reports and announcements

Plans for MC50 celebration are proceeding to be held on October 19, 2019.

8.5. Mayor Pro Tem Bloom's reports and announcements

Encouraged citizens to submit applications to serve on the Economic Development Advisory Council.

8.6. Council Member Dahl's reports and announcements


None

12. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:20 p.m.

ATTEST:

APPROVED:


Lisa Palomba, City Secretary


Keith Short, Mayor

