



CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
November 12, 2019

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, November 12, 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 (arrived at 6:45 p.m.) |
| | Lorna Kipphut | Council Member |
| | William Dahl | Council Member |
| | Trudy Woessner | Council Member |
| Staff Present: | Lisa Palomba | City Administrator/City Secretary |
| | Michael Halla | City Attorney |

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

Mayor Short 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.

Before we start the citizens comments, I am going to deviate just a little. I have a section later on in this where the Mayor has comments, but I just want to let you folks know that if you weren't here yesterday, yesterday being Veterans' Day, we had a very cool ceremony dedicating the bricks which are the base for our memorial. It was really neat to see how many veterans were out there for that ceremony. It shows that our community is healing and coming back together and people are coming out for various events. I am very proud of that. I am very proud of our community. We have a very beautiful monument out there and it is something for us, as citizens, to be very proud of.

4. CITIZEN COMMENTS

Gary Nickel, 612 Kentwood. I want to thank you Mr. Mayor, and the Council, for your efforts and I hope you will not mistake the lack of public attendance as disinterest. I think

instead, speaking on behalf of those who aren't here, without their permission, that you should take that as a sign that we have complete confidence in what you are doing and we trust you to do the right thing as we would if we were watching over your shoulder every week. That's all I need to say, just thank you a lot. We do appreciate you all.

Mayor Short thanked Mr. Nickel for his comments and stressed that they try to make the right decisions on behalf of everybody. Sometimes people aren't in agreement, but to hear a thank you or we trust you guys, it's very well received. Thank you.

MAYOR MOVED TO ITEM 6.1

6. ITEMS FOR CONSIDERATION

6.1. Discussion and action regarding consideration of an ordinance updating the Fee Schedule to reflect an increase in the monthly sewer rate fee from \$55.00 to \$57.75 effective January 1, 2020.

City Administrator Palomba introduced this item. During the budget preparation process, Council was informed by staff that the current sewer rate of \$55 per month is inadequate to cover expenses. The City entered into an agreement with Dan Jackson, representing Wildan Financial, to provide a Wastewater Rate Analysis for the purpose of determining appropriate rates.

Mr. Jackson completed his analysis and presented his findings to Council on October 8. The model suggests rate increases over a period of time with a rate of \$57.75 effective January 2020.

On October 22, representatives from North Texas Municipal Water District and the City of Rockwall presented information regarding planned infrastructure improvements and information regarding approved wastewater rates for the current budget year.

The 2020 rate is lower than assumed in the model, thus the City's net revenues may be higher in 2020. However, estimates of rates for 2021 and 2022 are higher. North Texas rates are highly variable from year to year. Mr. Jackson recommends keeping the suggested rate plan in place for 2020 and reviewing rates next year to determine if the suggested rate plan should be adjusted.

Staff recommends approval of the proposed ordinance updating the fee schedule to reflect an increase in the monthly sewer rate fee from \$55 to \$57.75 effective January 1, 2020.

Councilmember Bloom asked how much lower the rate is and can we quantify that. Second, how quickly can we recoup that \$36,000 that we have already paid.

City Administrator Palomba responded that we are still going to be a little bit lower than we would like to be, so we won't be able to recoup it in one year.

Dan Jackson explained that he and Lisa had discussed this and felt it would be best to just put the excess in a fund for future use. You know you are going to have future rate adjustments in the coming years and you might add a little towards your \$500,000 goal in your reserve a little bit faster than you anticipated. If that's the case, you might be able to do some scale back of future rate increases, but now is not really the time to do that.

Council Member Kipphut questioned doing a rate increase now and then having to do another one in October.

Mr. Jackson stated in all likelihood you're going to have to do that. Annual rate adjustments are a fact of life for every city in North Texas and every city around the country. North Texas is increasing their rates every year. Costs are going up, cost of everything goes up by 3% a year. You're facing a lot of challenges in the future with regards to your growth and also you've got something sitting out there in the future and that is eventually some of your development fees are going to go away and so you have to slowly start building up your revenue so that when those development fees go away you'll be able to replace them without it being too much of a shock to your tier rate payers, but unfortunately annual rate adjustments are a fact of life. The average utility in the United States is raising its rates five to six percent every year.

Council Member Kipphut pointed out this is two rate adjustments.

Mr. Jackson agreed, in ten months, yes. It was too late to try to get something done in October of this year, so January then was the next best target date. Then we had hope that future rate adjustments would go into place at the beginning of your fiscal year which would be October 1st. So, yes in only ten months this year, but it will be 12 months every other year.

City Attorney Halla pointed out that the city should be making a profit. You are in the water business so you should be making a profit. We could be in a bind if something happens and we need "x" amount of money, which we would have had if we had made a different adjustment.

City Administrator Palomba stated that even though this is a five year study, a five-year model, Dan and I talked a little bit and because there are so many moving targets out there as far as taxes and you know as far as infrastructure going on and other things that affect this, we might actually have to look at it a little bit more often. So, it's not like we're going to do this and probably not touch it again for five years. We will probably be reviewing it at least internally every six months to twelve months and then we may end up having to call Dan back for another opinion if we get to next year prior to budget season and something is very different.

The original project engineer has provided the following analysis of the pavement failure as well as a proposed solution.

The pavement failure at the above-mentioned intersection appears to have been caused by ground swelling and heaving of soil below the pavement and the lime treated sub-base. Following the removal of several of the concrete panels, it was determined that the original concrete, size and placement of the reinforcing steel, and lime treated subbase were constructed to the geotechnical engineer's recommendations, the construction plans, and the City of McLendon-Chisholm's standard specifications for pavement construction. The pavement heaving at this intersection was caused by an unforeseen subsurface condition, and likely occurred due to water infiltration below the subgrade either by a natural seam or spring, or source of water during latter construction of lots or some other source of water infiltration upstream.

We believe that the heaving has reached a point of maximum swelling and have proposed a solution which will address the existing conditions and repair the intersection.

The proposed solution includes:

- 1. Removal of the concrete within the entire intersection. This will be done in stages and sections to provide vehicular traffic movement*
- 2. Re-grading the subgrade to place the subgrade to the proper grades, slopes and tolerances.*
- 3. Install thicker stronger reinforcing steel that would include ½" diameter rebar instead of the standard 3/8" rebar for added strength and bridging capability.*
- 4. Decrease the spacing of rebar from 18" on center to 12" on center to increase the amount of steel for added strength.*
- 5. Pour 8" of concrete instead of the standard 6" thick concrete pavement for added strength.*

Following the pavement repair and replacement, require that the contractor provide a 2-year maintenance bond for the entire value of the replacement contract.

ADDITIONAL INFORMATION: The City Engineer, Doug Showers, representing Nathan Maier Consulting Engineers, Inc. was advised of the current street condition and performance and has determined the assessment provided is a reasonable solution and will likely offer the best long-term opportunity for pavement to perform well. The City Engineer has suggested the quote for repair work is also reasonable. Both the original project engineer and the City Engineer will evaluate the repair once completed prior to the City accepting the repair work.

Once approved by Council, Haws & Associates is available to begin the repair work immediately. The work is expected to take 4 weeks based on the need to complete in sections to control traffic and allow adequate cure time. Weather is also a factor in time required for street repairs.

FINANCIAL IMPACT: Each year, Sonoma residents are assessed a maintenance fee which is applied to a special reserve account for Sonoma road repairs. This account currently has \$98,563.86 available for road repairs. The estimated cost of repair, including warranty bond, is \$44,700.

Previously, the developer has paid for repairs beyond the warranty period but at this time, the original developer is requesting the City use funds from the Sonoma PID road maintenance fees collected to fund the needed repair.

RECOMMENDATION: Staff recommends authorizing the City Administrator to enter into an agreement with Haws & Associates to complete the needed street repairs.

Council Member Bloom asked if we got bids or go through a process before we selected Haws & Associates?

City Administrator Palomba stated no, not officially. Their developer went out and ask for pricing. Part of it is availability. There are not a lot of them that are standing in line ready to go. A lot of them don't take these smaller jobs anyway. This particular company did not do the original work, but they consistently offer lower price points than others so they were pretty pleased with the pricing. She also had the city engineer check and he said that it's a pretty inexpensive price for the work. If it's under fifty thousand, we don't have to go out for bids. I would like to get this attended to as quickly as we can.

Council Member Woessner asked if there is any way we can make it where trucks can't drive over that so it won't be damaged as quickly.

City Administrator Palomba responded they don't think this damage was caused by the trucks. There may be other places where they run over curbs and some other things that have cracked. She does intend to have a conversation with them about going in an alternate route if possible, but for this particular piece, we don't think that's what caused this damage.

Council Member Woessner stated she just wants to keep it the best we can and if we can just make them go somewhere else.

City Administrator Palomba stated she can certainly have that discussion.

Council Member Woessner stated that this is a more tender area.

Mayor Short stated he knows where she's going with that and that is going to probably become a general item for another agenda.

Council Member Dahl ask what the original warranty was from the developer on that road.

City Administrator Palomba responded it was two years.

Council Member Kipphut asked if she has in writing that the developer doesn't want to pay for this?

City Administrator Palomba stated she is sure she has it in an e-mail somewhere.

Mayor Short pointed out that we can't hold them accountable for something that is beyond the warranty.

Council Member Hodges asked if there are any other streets like this.

City Administrator Palomba responded not like this.

Council Member Woessner asked how much they will repair.

City Administrator Palomba responded they will replace the whole intersection.

MOTION: AUTHORIZE THE CITY ADMINISTRATOR TO ENTER INTO AN AGREEMENT WITH HAWS & ASSOCIATES FOR STREET REPAIR LOCATED AT THE INTERSECTION OF FIRENZA COURT AND BERTINO WAY IN THE SONOMA VERDE PHASE I SUBDIVISION IN THE AMOUNT OF \$44,700.

MADE BY: Council Member Woessner

SECONDED BY: Councilmember Bloom

APPROVED: Unanimous

6.3. DISCUSSION AND ACTION REGARDING AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO NEGOTIATIONS WITH MOHAMMED POLANI REPRESENTING MFS GROUP, LLC FOR A PRO RATA PERFORMANCE AGREEMENT FOR A WASTEWATER LINE.

Moved to Executive Session

6.4. DISCUSSION AND CONSIDERATION REGARDING REVIEW OF THE CURRENT CONTRACT WITH COMMUNITY WASTE DISPOSAL FOR SOLID WASTE REMOVAL AND RECYCLING SERVICES AS RELATED TO SERVICE COMPLAINTS AND BILLING ISSUES.

Mayor Short stated that over the entire time of the contract, you know as council members we have heard complaints from citizens about timely pick up or lack of pick up and various issues. I will tell you, recently I've had the same issue with them, not on the trash side, but on the recycle side. Speaking as a customer and not the Mayor, as a customer I don't feel I should have to call them. I have an issue with the way things are happening right now.

Council Member Kipphut stated that she has been summarizing basically what she has heard through citizen comments be it email, phone call, office hours, whatever. Trash is being picked up after 7:00 or not at all. Billing omissions and inconsistencies – some customers have yet to receive a bill; customers get a late notice before they even have their first bill. There have been repeated comments of the drivers dumping trash and recycling in the same truck. I also wanted to ask Lisa if they have been meeting their requirements to you such as giving you the monthly reports. I just want to make sure they are meeting the requirements of their contract.

City Administrator Palomba stated she does get a monthly report with some statistics on it and she would be happy to pass those along to her if she would like them.

Council Member Kipphut pointed out that we're pretty much victim to their fee schedule for the next four years.

Mayor Short stated that he thinks we are at a point where enough citizens have concerns over the way their trash services have been done so far for the term of this contract. He thinks it is in our best interest, as a city, to review the contract and, between Lisa and/or the City Attorney, see what our options are because of the fact that we're getting so many complaints. I, for one, not only from being a good steward of my own personal finances, but we're in charge of making sure that we provide good trash services for our citizens and how their money is being spent. This company can just raise the rates to what they feel is right and hold us accountable or hold us at mercy to raise those rates. If our citizens aren't happy right now, maybe we need to relook at that.

Council Member Dahl pointed out that under the current contract, item 4A, it shows that the company shall provide sufficient trucks and employees to provide collection service.

Council gave the City Administrator direction to review the contract and bring back to Council at the next meeting.

City Attorney Halla encouraged them to sit down, maybe the Mayor and Lisa, and a representative of the company, and let them know what the concerns are.

Council Member Hodges stated he thinks they should include Lorna in that meeting.

City Administrator Palomba stated it would help her if Council would submit to her, individually, their biggest complaints. She wants to make sure we have a pretty complete list so we can address as much as possible.

MAYOR MOVED TO ITEM 7

7. EXECUTIVE SESSION

- 7.1. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator; City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters.**

Mayor Short recessed the regular meeting into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator; City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters at 7:18 p.m.

- 7.2. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding consideration of authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC, for a pro rata performance agreement for a wastewater line.**

Mayor Short recessed the regular meeting into Executive Session (Closed Meeting) to consult with the City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding consideration of authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFA Group, LLC, for a pro rata performance agreement for a wastewater line at 7:18 p.m.

- 7.3. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding procedural requirements of**

various ad hoc committees and how Council liaisons interact with committees.

Mayor Short recessed the regular meeting into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding procedural requirements of various ad hoc committees and how Council liaisons interact with committees at 7:18 p.m.

8. RECONVENE REGULAR MEETING

Mayor Short reconvened the regular meeting at 8:34 p.m.

9. EXECUTIVE SESSION ACTION

9.1. MOTION: APPROVE THE CITY ADMINISTRATOR PAY ADJUSTMENT ACCORDING TO THE APPROVED BUDGET FOR 2019-2020.

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

9.2. Council directed the City Administrator to enter into negotiations with Mohammed Polani representing MFS Groups, LLC for a pro rata performance agreement for a wastewater line.

9.3. No Action

5. APPROVAL OF MINUTES

5.1. Consider approval of Minutes for the October 22, 2019 City Council Meeting

MOTION: APPROVE THE MINUTES OF OCTOBER 22, 2019 AS PRESENTED

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Bloom
APPROVAL: 4 Ayes and 1 Abstain (Council Member Hodges was absent)

6.3. DISCUSSION AND ACTION REGARDING AUTHORIZING THE CITY ADMINISNTRATOR TO ENTER INTO NEGOTIATIONS WITH MOHAMMED POLANI REPRESENTING MFS GROUP, LLC FOR A PRO RATA PERFORMANCE AGREEMENT FOR A WASTEWATER LINE.

ACTION TAKEN IN EXECUTIVE SESSION

6.5. DISCUSSION AND ACTION REGARDING THE UPCOMING CHRISTMAS TREE LIGHTING EVENT INCLUDING EVENT DATE, PROGRAM DETAILS AND ESTIMATED COSTS.

City Administrator Palomba stated she was just worried that we had only budgeted \$500 for this budget year for special events. She was just trying to get a little bit of clarity and had asked Council Member Woessner if she would go over briefly what the estimated costs would be. She and I have talked since then and I think we're going to be within budget.

The event is planned for December 1st from 5:30 to 7:30. Signs are already up and Council Member Woessner stated she will provide more details to Lisa as they are available.

10. UPDATES, DISCUSSION AND DIRECTION TO STAFF

Council Member Kipphut – I have a question about the Brick Campaign. We have about \$137 left in the account which we will just roll over for when we do the next installation of bricks. Would it be appropriate to go ahead and disband the committee or do I need to keep the committee active? I have no need for a committee. I just planned to do the brick orders as I did this time as well. I didn't know if I need to formally end the committee.

Mayor Short – I would say that right now, even though you may not have any scheduled meetings until the rest of the bricks are put in and I know I had expressed an idea of possibly lighting, leave it in place. You might want to hold off until we get close to the second one because if we decide to do some sort of inexpensive solar lighting or anything like that, that may need to be something that is discussed. Do you agree?

City Administrator Palomba – I don't feel strongly either way. It doesn't hurt to just keep it in place and just know that we probably won't have any meetings upcoming for some time. If you do want to have an expense or change something or add something, it's there if you want to pull your folk together for a meeting in the future. It's kind of up to you all.

Council Member Kipphut – I think it would be okay to go ahead and disband.

Mayor Short – I'm good either way.

Council Member Kipphut – I will submit a final report to you as far as everything goes.

City Administrator Palomba – I'll look to see if there is anything we need to do to end it.

Mayor Short - I was looking at a couple of things today and one thing I'd like to see if we can do is, I know before we used to be able to click on the calendar and it would bring the calendar up and tell us when our city council meetings are. I think it was blank for this month or next month. Can you just check that and see if those were for sure on there?

City Administrator Palomba – Sure

Mayor Short – I had someone come to me and say that the city didn't do enough to get the information out there that we were a voting location, that it wasn't well advertised by the city. I don't necessarily agree with that statement, but it was brought to my attention when I came to vote.

City Administrator Palomba – We posted it on the door and we had a link on the website to the county location, but in the future perhaps we'll just put something on there to make it simple and clear. We can work on that for the future.

Mayor Short – I know in the past, there's been questions about not getting the agenda items quick enough for you to read through, develop questions, and digest them before you come to the meetings. I'm going to ask you if you can get them to her a lot quicker. I have some ideas of how we might be able to do things in the future to where maybe, depending on how big the item is, we put it on an agenda for, let's say hypothetically, the first meeting in December to talk about it but no action would happen until a second meeting, or the next scheduled meeting to give you guys an opportunity. But it might have to be on a case-by-case depending on how quickly we can get information because, again, some stuff is time sensitive. But, it's a thought for future things. Remember we only have one more meeting this year, that being the first one in December. So, if you have things that you think need to be covered before the end of the year, let's try to get them to her within the next week if we can.

11. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

11.1. Mayor Short's Reports and announcements

MC50 was a huge hit. I had all kinds of people coming up to me telling me what a blast it was. Trudy, my hat's off to you. You did an awesome job. Yesterday's Veterans ceremony was huge. We had a ton of veterans here. It was very well received by the community. People really enjoyed it. We were very blessed that Senator Hall took time out of his schedule to be here with us. The County Judge was here with us and County Commissioners were here. We had a lot of people who showed interest in our city and it was huge. Thanks to Lorna.

Council Member Kipphut – Mr. Packer donated another 500 bricks so that when we have to extract these bricks, we will be able to put the others in place

11.2. Council Member Kipphut's reports and announcements – None

11.3. Council Member Hodges' reports and announcements – None

11.4. Council Member Woessner's reports and announcements

I would like to give a brief recap of the MC50 event. We had 200 people attend; served cake and ice cream; had a 60-foot blow-up obstacle course; games; a new Christmas tree planted; the ditch tractors; Master Gardner; and the very popular frozen t-shirt contest which was a close race with Matt Higgenbotham being the winner, Nathan Hodges second, and David Sweet third. We had a wonderful video that showed the beginning of McLendon-Chisholm and where we are now and where we are wanting to go. We received enough sponsorship funds to support the MC50 and not need to use any city funds, which I felt was a huge thing. I wanted to say thank you to everyone who came out and enjoyed the celebration in the community. I'd also like to say thank you to everyone who had a hand in making MC50 a success and Mayor, you asked me to head up MC50, I thank you. As far as the Santa and Christmas Tree event, it will be our first and I'd like to do it on December 1st every year.

11.5. Mayor Pro Tem Bloom's reports and announcements - None

11.6. Council Member Dahl's reports and announcements – None

12. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:57 p.m.

ATTEST:

APPROVED:



Lisa Palomba, City Secretary



Keith Short, Mayor

