CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
May 10, 2022

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, May 10, 2022, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Keith Short	Mayor
	Trudy Woessner	Council Member
	Daniel Tucker	Council Member
	Norman Willis	Council Member
	Dyon Purdy	Council Member (After Swearing In)
ABSENT:	Brian Davis	Council Member
	Lorna Kipphut	Mayor Pro-Tem
Staff Present:	Rick Crowley	Interim City Administrator
	Shelly Green	City Secretary
	Michael Halla	City Attorney

1. CALL TO ORDER

Mayor Short called the meeting to order at 6:31 p.m.

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

Council Member Tucker delivered the invocation and Mayor Short 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

None

5. APPROVAL OF MINUTES

5.1. Action regarding the Minutes of April 26, 2022, Regular City Council Meeting

MOTION: APPROVE THE MINUTES OF APRIL 26, 2022 AS PRESENTED.

MADE BY: **Council Member Tucker**
SECONDED BY: **Council Member Woessner**
APPROVAL: **Unanimous by Members Present**

6. ITEMS FOR CONSIDERATION

6.1. Swear In the Mayor and New Council Member for Place 4

Judge Mark Russo conducted the swearing in process for Mayor Short and Council Member Purdy.

6.2. Discussion and action regarding a Resolution canvassing the returns of the Special Election on May 7, 2022, for the purpose of determining whether or not to reduce the tax adopted for the current year to the rollback tax rate in accordance with the Texas Tax Code Section 26.07.

This item was postponed due to the Certification not being available from the County Elections Office.

6.3. Consider approval of Council Policy No. 1 and Council Policy No. 2

Interim City Administrator presented a report on this item:

At the request of Council Member Tucker, the Council authorized us to work together to develop a policy outlining certain procedures for the acquisition of vehicles and major equipment. This afforded a good opportunity to develop the subject policy **and** to establish a more formal framework for developing and maintaining future Council policies dealing with other subjects that the Council may, from time to time, consider adopting. The two attached policies resulted from our work.

Policy No. 1 establishes the mechanism which, in essence, creates a "policy book" and describes how council policies would be developed, proposed for adoption, and maintained (if adopted). The policy also described subjects that are appropriate to address by written council policies. It also establishes a process by which the Council would annually review the policies contained in the "policy book" to keep it current. The City Attorney and Finance Director have reviewed this policy, and their recommendations have been incorporated in the policy draft.

Policy No. 2 addresses the issue of the funding alternative information that is to be made available to the Mayor and Council as consideration is given to approval of proposed acquisitions of vehicles and major equipment. The policy generally requires that the Council receive funding source recommendations from the City Administrator and the Finance Director at the time the Council considers authorizing the acquisitions. The proposed policy has been reviewed by the City Attorney and the Finance Director (consultant), and their input has been incorporated into the proposed policy as drafted.

MOTION: APPROVE MECHANISM FOR POLICIES OF THE MAYOR AND COUNCIL (CITY COUNCIL POLICY NO. 1) AND APPROVAL OF POLICY OF FUNDING ACQUISITIONS OF VEHICLES AND MAJOR EQUIPMENT (CITY COUNCIL POLICY NO. 2)

MADE BY: **Council member Tucker**
SECONDED BY: **Council Member Woessner**
APPROVAL: **Unanimous by Members Present**

6.4. Consider the adoption of a resolution accepting and approving an amended and restated preliminary service and assessment plan and preliminary assessment rolls for the Sonoma Public Improvement District, calling a public hearing on the levy of special assessments against property in the District and approving all other matters related there to.

CITY OF MCLENDON-CHISHOLM, TEXAS
RESOLUTION NO. 2022-05

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS, DETERMINING THE COSTS OF THE IMPROVEMENT AREA #4-A PROJECTS AND IMPROVEMENT AREA #4-B PROJECTS TO BE FINANCED BY THE SONOMA PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY 2022 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN UPDATED FOR IMPROVEMENT AREA #4-A AND IMPROVEMENT AREA #4-B, INCLUDING PROPOSED ASSESSMENT ROLLS FOR SUCH IMPROVEMENT AREAS; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; CALLING AND NOTICING A PUBLIC HEARING FOR MAY 24, 2022, TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN SUCH IMPROVEMENT AREAS; DIRECTING THE CITY SECRETARY TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; APPROVING A PRELIMINARY LIMITED OFFERING MEMORANDUM; RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), authorizes the governing body (the "Council") of the City of McLendon-Chisholm, Texas (the "City"), to create a public improvement district within the City; and

WHEREAS, the Council has previously created the Sonoma Public Improvement District (the "District"); and

WHEREAS, the City authorized the creation of the District and the issuance of up to \$41,025,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of property within the District (the "Authorized Improvements"); and

WHEREAS, the property within the District is being developed in phases, the fourth of which includes approximately 148.5102 acres and consists of two separate improvement areas, Improvement Area #4-A, which includes approximately 29.703 acres ("Improvement Area #4-A"), and Improvement Area #4-B, which includes approximately 118.8072 acres ("Improvement Area #4-B"); and

WHEREAS, the Council and the City staff have been presented a "Sonoma Public Improvement District Preliminary 2022 Amended and Restated Service and Assessment Plan", which includes the proposed (i) Improvement Area #4-A assessment roll attached thereto (the "Proposed Improvement Area #4-A Assessment Roll") and (ii) Improvement Area #4-B assessment roll attached thereto (the "Proposed Improvement Area #4-B Assessment Roll" and, together with the Proposed Improvement Area #4-A Assessment Roll, the "Proposed Assessment Rolls"), dated May 10, 2022 (the "Preliminary Amended and Restated SAP"), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Preliminary Amended and Restated SAP sets forth the estimated total costs of (i) Improvement Area #4-A's portion of the Improvement Area #4 Improvements and Improvement Area #4-A's portion of the Major Improvements (collectively, the "Improvement Area #4-A Projects") and (ii) Improvement Area #4-B's portion of the Improvement Area #4 Improvements and Improvement Area #4-B's portion of the Major Improvements (collectively, the "Improvement Area #4-B Projects" and, together with the "Improvement Area #4-A Projects" "Improvement Area #4 Projects") to be financed by the District for the current phase of development and the Proposed Assessment Rolls state the assessments proposed to be levied against each parcel of land in Improvement Area #4-A and Improvement Area #4-B, respectively, as determined by the method of assessment and apportionment chosen by the City; and

WHEREAS, the Act requires that the Proposed Assessment Rolls be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

WHEREAS, the Act requires (i) that a public hearing (the "Assessment Hearing") be held to consider the proposed assessments and (ii) the Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be (i) mailed to property owners liable for the proposed assessments and (ii) published in a newspaper of general circulation in the City before the tenth (10^{th}) day before the date of the Assessment Hearing; and

WHEREAS, the Council finds it to be in the public interest to (i) accept the Preliminary Amended and Restated SAP and the Proposed Assessment Rolls, (ii) establish a date and time for the Assessment Hearing and (iii) take such further action as required by the Act;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The Preliminary Amended and Restated SAP, including the Proposed Assessment Rolls, is hereby accepted.

SECTION 3. The Proposed Assessment Rolls shall be filed with the City Secretary and the same shall be available for public inspection.

SECTION 4. A public hearing (the Assessment Hearing as defined above) shall be conducted during the regular meeting of the Council to be held on May 24, 2022 at 6:30 p.m. at the location specified in **Exhibit B** hereto, during which the Council shall, among other actions, hear and pass on any objections to the proposed assessments. Upon the adjournment of the Assessment Hearing, the Council may consider an ordinance approving the levy of assessments on certain benefitted property within the District.

SECTION 5. The City Secretary is hereby authorized and directed to (i) publish notice of the Assessment Hearing, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes (the "Notice"), in a newspaper of general circulation in the City, as required by Section 372.016(b) of the Act, and (ii) mail the Notice to owners of property liable for the proposed assessments as set forth in the Proposed Assessment Rolls, as required by Section 372.016(c) of the Act.

SECTION 6. The form and content of the Preliminary Limited Offering Memorandum (the "PLOM") relating to the "City of McLendon-Chisholm, Texas, Special Assessment Revenue Bonds, Series 2022 (Sonoma Public Improvement District Improvement Area #4 Project)" (the "Bonds") are hereby approved and deemed final, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Administrator. The City hereby authorizes the PLOM to be used by FMSbonds, Inc. in connection with the marketing and sale of the Bonds.

SECTION 7. This Resolution shall become effective from and after its date of passage in accordance with law.

MOTION: APPROVE RESOLUTION 2022.05 ACCEPTING AND APPROVING AN AMENDED AND RESTATED PRELIMINARY SERVICE AND ASSESSMENT PLAN AND PRELIMINARY ASSESSMENT ROLLS FOR THE SONOMA PUBLIC IMPROVEMENT DISTRICT, CALLING A PUBLIC HEARING ON THE LEVY OF SPECIAL ASSESSMENTS AGAINST PROPERTY IN THE DISTRICT AND APPROVING ALL OTHER MATTERS RELATED THERETO.

MADE BY: Council Member Woessner
SECONDED BY: Council Member Tucker
APPROVAL: Unanimous by Members Present

6.5. Consider the nomination and selection of a new representative to the Rockwall County Emergency Services Corporation.

This item was postponed until the May 24, 2022 meeting.

6.6. Consideration and action regarding allowing and regulating food trucks.

Interim City Administrator Crowley presented a Preliminary Draft of an Ordinance that would allow and regulate the use of food trucks in the City. The draft contained numerous blanks pending several policy discussions with the Mayor and City Council to be addressed at the meeting. Mr. Crowley will review the draft and request input on various food truck matters as we continue the development of the program - if a continuation of the program is your directive.

After a lengthy discussion, it was the consensus of the Council to move forward with the development of the program.

6.7. Discuss and consider a Reimbursement Agreement by and between the City of McLendon-Chisholm and Land Solutions SV LLC for work to Edwards Road and League Road and authorization for the Mayor to execute said agreement.

Interim City Administrator Crowley presented a review of this agenda item:

The Council approved $100,000 in the 2001-2022 Annual Operating Budget for the Edwards Road improvement (chip seal) project. Initially, there was discussion that the City would fund $100,000 of the $300,000 project cost, that the developer (of Sonoma Verde) would fund $100,000 of the project cost, and that the County would fund $100,00 of the project cost. The County is currently under construction with improvement to Edwards

Road from League Road south to FM 548, and, thus, will not be participating in the city/developer project to the north of League Road.

The developer, however, has agreed to fund $200,000 of the project cost for improvements beginning on League Road at the end of the developer-installed concrete section of League Road to Edwards Road and continuing to the south (generally) on Edwards Road with the project terminating where County maintenance begins (just beyond the creek which constitutes the boundary of Sonoma Verde). County Road and Bridge Maintenance Coordinator Pat Nesmith has advised the County also plans to chip seal the continuing portion of Edwards Road (beginning at the termination point of the developer/city project) which goes generally south and intersects with FM 550.

The reimbursement agreement between the City and the developer (of Sonoma Verde) provides that the developer will contract for the improvements and manage the project described above and that, upon project completion, the city will reimburse the developer in the amount of not to exceed $100,000. The developer has provided a copy of the construction contract for the project, so it is anticipated that the work on the road will begin in a timely manner upon approval of the reimbursement agreement its execution if the Council authorizes the Mayor to sign the contract under this agenda item.

MOTION: **APPROVE A REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF MCLENDON-CHISHOLM AND LAND SOLUTIONS SV LLC FOR WORK TO EDWARDS ROAD AND LEAGUE ROAD AND AUTHORIZATION FOR THE MAOR TO EXECUTE SAID AGREEMENT.**

MADE BY: **Council Member Woessner**
SECONDED BY: **Council Member Willis**
APPROVAL: **Unanimous by Members Present**

7. EXECUTIVE SESSION

7.1. Adjourn into Executive Session (Closed Session) in accordance with Texas Government Code: Section 551.074(a)(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: Interim City Administrator and New City Administrator.

Mayor Short adjourned the meeting into Executive Session at 8:00 p.m.

7.3. Reconvene Regular Meeting

The meeting reconvened into regular session at 8:12 p.m.

7.4. Executive Session Action

MOTION: **AUTHORIZE THE MAYOR TO RENEGOTIATE AN EXTENSION OF THE CONTRACT WITH OUR INTERIM CITY ADMINISTRATOR**

MADE BY: **Council Member Woessner**
SECONDED BY: **Council Member Tucker**
APPROVAL: **Unanimous by Members Present**

8. UPDATES, DISCUSSION AND DIRECTION TO STAFF

Mayor Short reported there was a lot of chatter regarding trash pickup by CWD, especially in Sonoma Verde. They will either have CWD come in to visit with Rick and/or the Council regarding these complaints. There has to be something done about better performance.

Council Member Willis took an opportunity to express his feelings that it has been and honor to serve on the Council.

10. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

None

11. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:19 p.m.

APPROVED:

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

CITY OF McLENDON-CHISHOLM
CORPORATE
SEAL
TEXAS