



CITY COUNCIL - WORK SESSION
City of McLendon-Chisholm, Texas
Meeting Minutes
August 6, 2019

The City Council of the City of McLendon-Chisholm convened in Special Work Session on Tuesday, August 6, 2019, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

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

1. CALL TO ORDER

Mayor Pro Tem Bloom called the meeting to order at 6:36 p.m.

2. DISCUSS ANNUAL BUDGET FOR FISCAL YEAR 2019-2020

2.1. Discuss and consider Certified Property Values, effective and rollback tax rates, all expected revenue and expenses, planning for public safety needs, employee salaries and benefits, fund balance policy, and all related matters concerning adopting a budget and tax rate for Fiscal Year 2019-2020.

City Accountant Ray Smith presented information regarding the sewer rate. He has worked on the rate which is currently \$55.00. It needs to increase to break even and then prepare for increases from Rockwall. The proposed rate is \$83.00/month. He also explained that North Texas Municipal Water District is doing construction which will cause the debt service to increase over the next three years.

Inframark was present to explain their role in reference to the sewer system. They do all maintenance and ensure TCEQ requirements are met. He expressed that the City needs a contingency fund in case major repairs are required. If a pump fails, it can cost as much as \$40,000 to replace or \$10,000 to \$15,000 to repair. Things do happen and you want to be prepared. He stressed that they do preventive maintenance.

City Administrator Palomba explained that Rockwall is a customer of North Texas Municipal Water District and we are a customer of Rockwall. So, Rockwall passes along

rate increases to us. Rockwall anticipates increases next year. She stressed that the sewer rate needs to be firmed up in order to put the correct information in the budget.

City Administrator Palomba presented a proposal she received for a complete rate study. The proposed cost would be \$9,000. She feels the Council should consider this so they have justification for any rate they impose.

Council requested that they have a meeting with North Texas Municipal Water District and the firm proposing to perform the rate study to provide them with more information.

City Accountant Smith provided an explanation of how the effective tax rate is determined and went through the preliminary budget including revenues and expenses. He, the City Administrator, and the Fire Chief fielded questions from the Council.

City Administrator Palomba addressed the issue of adopting a fund balance policy and fund minimal levels to be identified in the policy. She explained most cities have such a policy and it is established to fund unexpected items that are not part of the budget and can fund such items as capital expenses.

The Council took a brief break and came back to discuss the items they want to fund and items they do not want to fund. There was conversation regarding the need to revise/update the comprehensive plan, develop a strategic plan, and the utility rate study. Question was raised whether they could get some harder numbers on the comprehensive plan. Administrator Palomba stated the Council would need to meet with the Planner and decide what direction to go on the plan, whether they want to change a few things or start from scratch. Decision was made to scratch the strategy plan and leave the Comprehensive Plan in for now.

Other areas of discussion included community events, animal control, cell phones, computers, the fund balance, the SAFER grant and future funding of the fire department.

It was determined they should have an additional workshop on Monday night, August 12th.

3. EXECUTIVE SESSION

- 3.1. 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 Pro Tem Bloom recessed the meeting into Executive Session

4. RECONVENE REGULAR MEETING

The Council reconvened the regular meeting.

5. EXECUTIVE SESSION ACTION

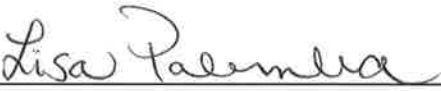
No Action

6. ADJOURN

There being no further business to discuss, Mayor Pro Tem Bloom adjourned the meeting.

ATTEST:

APPROVED:


Lisa Palomba, City Secretary


Keith Short, Mayor

