

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 18th day of April 2019 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Mayor Heidemann
Sam Burke, Mayor Pro-Tem
Lowell Johnson, Council Member
Don Glockel, Council Member
Tina Henderson, Council Member
Scott Garber, Council Member

Members Absent:

None

Others Present

Carolyn Marshall, CPA

Staff Members Present

Bob Hart, City Manager
Kim Pence, City Secretary
Patricia Adams, Messer, Rockefeller, & Fort
Helen-Eve Liebman, Planning and Development Director
George Marshall, City Engineer
Lee Ann Bunselmeyer, Finance and Communications Director
Jerry, Garner, Police Chief
Angie Watson, Utility Billing Supervisor
Jason Alexander, Economic Development Director
Cody Collier, Director of Public Works
Brenton Copeland, Technology Services Assistant Manager
Chris Rodriguez, Assistant Finance Director

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:45 p.m.

WORKSHOP BUSINESS AGENDA:

1. Receive a presentation on the status of the city's water meter transponder conversion system.

Cody Collier, Director of Public Works – delivered a presentation to Council on the status of the city's water meter transponder conversion system. He informed them there are 7,220 total utility accounts with 6,510 that have had the transponders replaced with the new RG3 Tomahawk System and 710 that are remaining. There have been many issues caused by the manufacturer with the transponders since 2017 and the remaining 710 transponders have been delayed due to manufacturing and parts availability issues. Due to some of the issues, RG3 has come in to help with the labor intensive work of re-reads, reprogramming, and verifications on the transponders.

The first shipment of transponders were received on April 5th after a six month delay. The remaining transponders have shipped and are expected to be installed within four weeks. Upon completion of the transponder installation, the remaining data collectors and repeaters will be installed and adjusted to collect the network. Currently, Advanced Metering Infrastructure (AMI) and Automatic Meter Reading (AMR) are reading 1,200 meters. Completion of the entire system and taking the customer portal live to the residents is expected by September 1st. The system will allow utility customers to monitor their water usage by the hour via the internet connection and set alerts for unusual or high consumption notifications.

Councilmember Garber – inquired on when the citizens will be able to go online and see their average consumptions?

Cody Collier, Director of Public Works - September 1, 2019 is when the entire system will go live for all residents.

Councilmember Glockel – inquired if Council will be notified first with advanced training to help with the resident's questions and concerns?

Cody Collier, Director of Public Works – yes, we will select a few accounts to do a preliminary test for a couple of weeks to work out any bugs in the system before we go live. Once we go live there will be a big media push and information is the key to this system, so we are going to try really hard to get people to understand and utilize the systems information.

Mayor Heidemann – will this tie back into your incentives for water conservations?

Cody Collier, Director of Public Works – unintentionally I believe it will when people are able to see their water usage and see how much water their irrigations systems are using.

Councilmember Henderson – it seems the issues were caused by the manufacturer we had a lot of man hours involved in resolving these issues. Is there any reimbursement for that?

Cody Collier, Director of Public Works – the work on our end to redo was primarily done by RG3 and not the employees. They are committed to do this for us and will continue until the system is done.

Councilmember Henderson- were people billed incorrectly due to these issues and have we adjusted their bills?

Angie Watson, Utility Billing Supervisor – we did have a couple of inaccurate bills that once the issue was found I was able to go back and recalculate them and make everything correct.

2. **Receive a presentation on the status of the Public Works Facility remodel and an update on the status of the Phase II project for Public Works and the Fire Department Training Facility.**

Cody Collier, Director of Public Works - informed Council they are still in the middle of remodeling the building. They have been focusing all of their time on the interior and we are looking at mid or late May to June to wrap this up so that we can move back into the building. There will be a new additional fire escape due to the previous one led back into the building. The construction is coming along pretty quick.

Phase II is still waiting on the final contract and bonds. The contract was signed today but there

was a clerical issue with their bonds that will be corrected on Monday. Then the contract, bonds, and insurance will all be met and we can move into the Phase II portion that includes the exterior, the shed, the equipment storage facility and the Fire Department training facility.

3. Receive a report, hold a discussion, and give staff direction on the Water and Wastewater Rates.

Lee Ann Bunselmeyer, Finance and Communications Director – presented options to Council from the previous council meeting for seniors and the impact to the residents monthly bill for each option. The current rates are a total of \$44.62 that includes 5,000 gallons of water in the minimum bill and this covers 50 percent of the fixed cost for the city. Option A lowers the fixed cost by 37 percent and brings the base rate to \$32.87. The main shift in this is the 5,000 gallons in the minimum bill is no longer include meaning the resident is charged for gallon one in the bill. Staff made sure there was not impact, negatively or positively, to any senior that used more than 5,000 gallons, so for them there is no impact on their bill. Option B, does away with the city based rate completely. This drops the fixed cost to 35 percent and does not include any gallons in the minimum bill. In essence both options offer an \$11.75 senior discount for Option A and a \$13.35 senior discount for Option B. She discussed the effect each option has on the revenues based on the different billing rate structures. If adopted by council the total amount of lost revenue for Option A is \$ 27,936.00 per year.

Mayor Pro-Tem Burke – There are five years between now and 2023, this will start in 2019, so that \$27,936.00 would equate to a 15 percent increase in deficit over the five years.

Lee Ann Bunselmeyer, Finance and Communications Director – Correct. Option B, if the entire city rate is waived, it not only affects the seniors that use 5,000 or less, but would give a savings to anyone who uses over 5,000 gallons a month equaling \$1.60 in savings a month. Overall the loss in revenue would be \$47,754.00 per year. Just a reminder we looked at this slide and if you implemented Option A, you would be able to absorb that in the current rate structure for this fiscal year, but not for the future years. Staff needs direction from Council on pursuing these options or leaving the rates as they are.

Councilmember Johnson – do we have a commitment with Upper Trinity Regional Water District as far as them changing the rates on us?

Bob Hart, City Manager – we have assumed an increase of 3% a year. UTRWD is still reviewing their numbers and is looking at taking in that \$400 million debt within the next 24 months. They have a little bit of rate stabilization fund and the water development board is buying some of the debt early. It will probably be another year before we have a better handle on it.

Councilmember Johnson – do you have the three percent built in for the next year?

Lee Ann Bunselmeyer, Finance and Communications Director – Yes, for the next five years. Typically for water their rates have increased 1.5 percent a year for the last five years. Waste water has increased a little higher at 3.5 percent. I am confident in what we have budgeted based on the information we know.

Mayor Pro-Tem Burke – inquired on the number of senior accounts impacted.

Lee Ann Bunselmeyer, Finance and Communications Director – approximately 500 accounts impacted with 1,032 senior accounts.

Councilmember Garber – confirmed just under 10 percent of the total accounts are senior accounts.

Councilmember Johnson – suggested adjusting the commercial rates to recover some of these costs. Commercial consumption is a bit more inelastic we can adjust the commercial side to absorb some of this.

Lee Ann Bunselmeyer, Finance and Communications Director – Councilmember Johnson is absolutely correct. Two things, the commercial rates are dipping towards the lower end compared to other cities and the residential is paying more per gallon in the upper tiers than the commercial was. Staff has been doing some analysis and our recommendation is to review the rates and make adjustments to the commercial rates. We believe we could generate about \$300,000 more in revenue and the commercial rates would still be low compared to other cities. This should allow the city to flatten out the residential rates.

Councilmember Garber – my concern is the commercial rates can be adjusted to offset some of this but we still have the \$900,000 deficit in five years that unless we do something, then 90% of our folks will have to pay and we will have to raise our rates on everyone. If we adjust the commercial rates to help out that is still \$127,000 to \$300,000 that now is able to be used to help mitigate the rising cost of water for everyone else.

Lee Ann Bunselmeyer, Finance and Communications Director – you water rates in five years are still okay. It is your wastewater rates that we are running a deficit on and will need adjusted. It is still an increased cost to the residents, but to be clear it is the waste water rates. If we had left the waste water at \$5.60 then we would not have any issues on the wastewater side. In a year or two the city will have to move that back up.

Councilmember Garber – suggested a donation system for residents to donate to a fund to help the underprivileged residents.

Lee Ann Bunselmeyer, Finance and Communications Director – stated staff will go back and research this concept to see if it is a feasible option and will research the options more based on council's comments.

4. **Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.**

Consent Item #4 Discussion:

4. **Consider and act on a Resolution approving the City of Corinth Fund Balance Policy**

Bob Hart, City Manager – When we discussed this at the last meeting, we discussed the general fund and utility fund. We are asking Council to do a substitute resolution to include both the general fund and utility fund.

Lee Ann Bunselmeyer, Finance and Communications Director – We were talking about utility rates and discussed adding the rate stabilization fund and AMP reserve fund. I forgot to put in the general fund reserve fund and a storm drainage fund. This will establish those funds for the AMP

reserve fund for those two operating funds.

Mayor Pro Tem Burke – how would we need to make the motion based off this?

Mayor Heidemann – you will need to pull it off the consent agenda.

Bob Hart, City Manager – and make a motion for the substitute resolution.

Consent Item #5 Discussion:

5. **The Corinth City Council will conduct a public hearing to consider and act upon an amendment to the City's Unified Development Code, Section 4: Sign and Fence/Screening Regulations subsection 4.02: Fence and Screening Regulations.**

Mayor Pro-Tem Burke – I think this was put back on due to some proposed amendment. I could not tell how that was addressed.

Helen-Eve Liebman, Planning & Development Director – staff did not change the recommendation and staff would like to see the council adopt that the chain link be prohibited in the industrial zoning if it is viewed from a public street. This will be for all new construction. The alternative for the screening option for them instead of a masonry wall could be a decorative metal fence with a live screening that could reach maturity and height for solid screening in two years. If there was a financial hardship exemption it would be too hard to identify and verify the financial hardship.

Councilmember Glockel– section 402.11a, they discuss the fence being six to eight feet in residential areas, I got really hung up in 402.11c when they discuss loading docks. In the 402.11d1, loading docks that can be seen from a collector street must be ten feet. If you have a loading dock in 402.11d2 in residential, the requirement is not ten foot but instead six or eight feet. These three or four subsections are confusing.

Helen-Eve Liebman, Planning & Development Director – explained these items are existing subsections in the ordinance and were not revised by staff.

Consent Item #7 Discussion:

7. **Consider and act on a formal adoption of the Room Rental Policy for City facilities.**

Councilmember Henderson - There were some safety issues mentioned earlier?

Lee Ann Bunselmeyer, Finance and Communications Director – they were repairing the air conditioning on the fire department side and there were a lot of contracts and equipment coming through so we did not want anyone on that side of the building. This is complete and they are finishing on the police side with in the next couple of weeks. There still are some minor construction or repairs that need to be done. We feel this will happen at a time that it will not inconvenience any public use in the area so we are confident in opening it up.

Councilmember Henderson – What if they want to use it during the day, are they not allowed to?

Lee Ann Bunselmeyer, Finance and Communications Director – At this time Police and Fire are struggling with coordinating among themselves and are having to go off site for meetings. It would interfere with their operations, so we allow after hours use.

Councilmember Glockel – the intent was to set up the hall flow so that if someone was using it during the day there was no security, the bathrooms were available etc. That building was built with the concept of that room to allow for day use by the public. Now we are saying we cannot use it at all today. I think this room should be available.

Lee Ann Bunselmeyer, Finance and Communications Director – I cannot speak for the Police and Fire Chief, but I do know that Chief Ross mentioned they have several trainings where they bring all the fire daily crews for trainings and meetings.

Bob Hart, City Manager – when we do our emergency management meetings they are done out there and we bring people from all our facilities. One of the concerns is who takes precedent. Fire will bring people from all three stations. There are a lot of days you could get people back there and not have any issues.

Councilmember Henderson – we have a good school and they chose our city to come to and they need a place to have their meetings and we cannot help them. We have the facility and if no one is using it why would that be an issue.

Bob Hart, City Manager – we could allow that on a case by case basis and make that work, but having a standing schedule could be an issue. If something comes up and we need to have a quick meeting and need that conference room, we could run into an issue.

Councilmember Garber – is it possible to lock it down two days a month?

Lee Ann Bunselmeyer, Finance and Communications Director – we get a lot of request the majority of them are after hours. The requests we get during the day are few and far between. I suggest if we receive a request for the day and it is available we can allow it. The school is the only one that has asked to use it during the day. We did some minor repairs to the Woods building and we offer this up to the sports venues, but an HOA that may not work. If the requests during the day become excessive we can come back to council and readdress it.

Mayor Heidemann recessed the Work Session at 6:50 p.m.

Mayor Heidemann convened into executive session at 6:50 p.m.

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) 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 the Texas Open Meetings Act.

Council met in closed session from 6:50 p.m. to 7:02 p.m.

A.MCM Contract for Lake Sharon Roadway Extension.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To Deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

A. Project Daylight

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

Mayor Heidemann reconvened open session at 7:03 p.m.

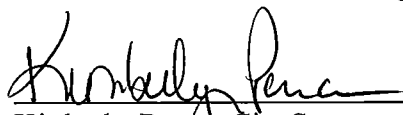
ADJOURN:

Mayor Heidemann adjourned the meeting at 7:03 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the 9th day of May, 2019.



Kimberly Pence, City Secretary
City of Corinth, Texas

