

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

On this the 21st day of August 2018 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:30 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:

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

Members Absent:

None

Staff Members Present:

Bob Hart, City Manager
Kimberly Pence, City Secretary
Curtis Birt, Lake Cities Fire Chief
Jimmie Gregg, Lieutenant of Police
Cody Collier, Director of Public Works, Park Maintenance, Recreation, and Utility Operations
Shea Rodgers, Technology Services Manager
Helen-Eve Liebman, Planning and Development Director
Jason Alexander, Economic Development Corporation Director
Chris Rodriguez, Assistant Finance Director
Guadalupe Ruiz, Director of Human Resources

WORKSHOP BUSINESS AGENDA:

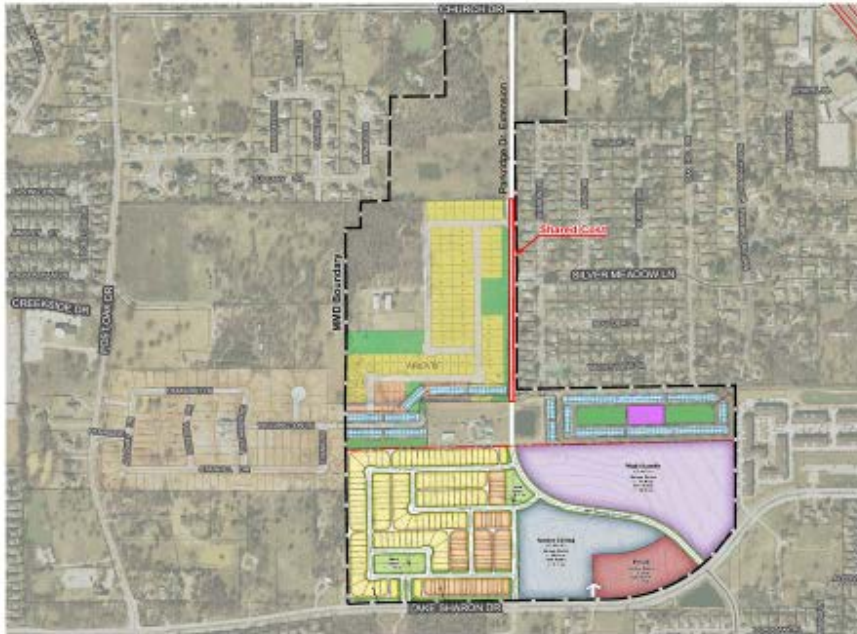
1. Discuss Regular Meeting Items on the Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

No discussion on Regular Session Agenda items.

2. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2018-2019 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - discussed Parkridge Drive development strategies.

Parkridge Drive Development Strategy



- Total Capital Project Total-\$5.5M
- EDC Contribution - \$1.9M
 - Agreement Instrument with Land owners to secure partial repayment of CIP
 - 7 landowners
 - Anticipated Impact Fee Assessment - \$5.1M
- Potential Financing instruments
 - Reimbursement Resolution
 - TIRZ
 - PID
 - MMD
 - 380
 - Developer's Participation Agreement
 - Street Assessment

Parkridge/FM 2181 Wastewater Improvements



- Total Project Cost -\$2.6M
- Phase 1 - \$1.3M
- Phase 2 (dependent on future development)- \$1.3M
- EDC Contribution - \$1.0M
- Agreement with LCMUA for joint construction
- Reimbursement Resolution
- Anticipated impact fee assessment - \$1.6M

Mayor Heidemann - are there funds available for the TIF?

Bob Hart, City Manager - when we create the TIF (Tax Increment Financing), we will need to talk about what public improvements that are needed here. The way I have envisioned the TIF is to deal with the operational funding component and not any of the Capital Improvements and in that sense, there is more than enough money there.

Tax Increment Financing District



- EDC Contribution - \$100,000
 - Reimbursement Resolution
- Potential Partners
 - NCTC
 - THR
 - DCTA
 - Millenium
 - CoServ
 - Various Landowners

Bob Hart, City Manager - presented Upper Trinity's projections.

Councilmember Johnson - is this all related to the dam and service to get the water to Ray Roberts?

Bob Hart, City Manager - yes, there is also a little bit of an expansion to one of the water plants.

Mayor Heidemann - at what stage are they with Ralph Hall?

Bob Hart, City Manager - they are still buying land and the pipe line is in design. We will take these numbers and make sure when we do our budget, we look at those projections over the next four years and build them into our model. Upper Trinity is working with the City of Dallas and the North Texas Water District and the Tarrant Regional Water Supply looking at what's the next source of water after Ralph Hall.

Mayor Heidemann - does this include the increase requirements for wastewater?

Bob Hart, City Manager - no, this is water only.



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
August 21, 2018

| | Proposed | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| Estimated Blended Rate Impact | 1.50% | 3.00% | 3.00% | 3.00% | 3.00% |
| Operating Revenues | \$ 48,935,755 | \$ 51,082,300 | \$ 54,493,990 | \$ 57,196,700 | \$ 61,762,910 |
| Operating Expenses | \$ 23,959,750 | \$ 23,326,080 | \$ 24,698,300 | \$ 25,693,570 | \$ 28,135,550 |
| Debt Service | 22,386,025 | 23,711,370 | 26,083,765 | 27,108,825 | 28,447,660 |
| Net Revenues from Operations | \$ 2,589,980 | \$ 4,044,850 | \$ 3,711,925 | \$ 4,394,305 | \$ 5,179,700 |
| Transfers to Reserves | | | | | |
| Transfer to O&M Reserve | 663,500 | - | - | - | - |
| Transfer to Non-Bond Capital Reserve | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Loan Payments | 119,150 | 119,150 | 119,150 | 23,730 | 23,730 |
| Transfer to Lake Ralph Hall Reserve | 450,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Transfers to Reserves from Net Revenues | 1,232,650 | 2,119,150 | 2,119,150 | 2,023,730 | 2,023,730 |
| Budget Surplus | \$ 1,357,330 | \$ 1,925,700 | \$ 1,592,775 | \$ 2,370,575 | \$ 3,155,970 |
| % of Bdgt Surplus to Total Operating Exp (Including Debt Svc) | 2.93% | 4.09% | 3.14% | 4.49% | 5.58% |
| Bond Coverage Ratio (Cash Basis) (1.15 Minimum per District Policy) | 1.12 | 1.17 | 1.14 | 1.17 | 1.19 |
| Estimated Subscriptions (MGD) (3.76% Over the Period) | 77.56 | 80.72 | 84.07 | 86.64 | 89.89 |
| % Change | 3.70% | 4.08% | 4.15% | 3.06% | 3.75% |
| Estimated Flows (MGD) (3.70% Over the Period) | 30.27 | 31.15 | 31.96 | 32.78 | 34.94 |
| % Change | (5.56%) | 2.91% | 2.58% | 2.58% | 6.59% |
| CIP Expenditures (As Presented @ August 2018 Board Meeting) | \$ 49,826,090 | \$ 102,378,365 | \$ 129,515,620 | \$ 66,750,060 | \$ 68,746,120 |
| Bonds Issued | \$ 20,008,100 | \$ 28,055,500 | \$ 30,045,200 | \$ - | \$ 40,029,400 |
| TWDB Financed (Board Participation and Subsidized Interest) | \$ 7,590,000 | \$ 78,640,000 | \$ 105,840,000 | \$ 125,443,956 | \$ - |
| Non-Bond Capital Reserve Used for CIP | \$ 3,277,930 | \$ 482,520 | \$ 1,102,520 | \$ 1,102,520 | \$ 1,102,520 |

UTRWD Fixed Cost Analysis

| | <u>FY2017-18</u> | <u>FY2018-19</u> | <u>Increase</u> | |
|--|------------------|------------------|-----------------|-------|
| Total Customer Count | 7,134 | 7,228 | 94 | 1.32% |
| FIXED CHARGES | | | | |
| Subscription payment for 7.5 mgd | \$3,211,500 | \$3,297,375 | | |
| Administration Fee | 5,855 | 6,085 | | |
| Minimum Daily Volume 1.35 mgd | 546,953 | 593,528 | | |
| Total Water Fixed Charges | \$3,764,308 | \$3,896,988 | \$132,680 | 3.5% |
| Fixed fee per Customer/per month | \$43.97 | \$44.93 | | |
| Individual Facilities (Pipeline) | \$50,220 | \$50,530 | | |
| Individual Facilities (Booster Station) | 32,120 | 33,340 | | |
| Joint facilities charge | 669,885 | 672,165 | | |
| WWTP O&M Charge | 630,660 | 648,830 | | |
| Total Wastewater Fixed Charges | \$1,382,885 | \$1,404,865 | \$21,980 | 1.59% |
| Fixed fee per Customer/per month | \$16.15 | \$16.19 | | |
| VOLUMETRIC CHARGES /1,000 GALLONS | | | | |
| Water volume charge | \$1.11 | \$1.09 | | |
| Wastewater treatment volume charge | \$1.25 | \$1.25 | | |
| Pipeline usage volume charge | \$0.055 | \$0.055 | | |

There was no Closed Session

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 Government Code.

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 of Texas clearly conflicts with chapter 551.

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.

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.

ADJOURN:

Mayor Heidemann adjourned the meeting at 6:15 P.M.

AYES: All

Meeting adjourned.

Approved by Council on the 4th day of October, 2018.

Kimberly Pence
Kimberly Pence, City Secretary
City of Corinth, Texas