

**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF GLENN HEIGHTS, TEXAS**

September 7, 2010

STATE OF TEXAS *

COUNTIES OF DALLAS AND ELLIS *

CITY OF GLENN HEIGHTS *

On this the 7th day of September, 2010 the City Council of the City of Glenn Heights met in a regular meeting at the Glenn Heights City Hall in Glenn Heights, Texas located at 1938 S. Hampton Road with the following members present:

CITY COUNCIL:

Victor Pereira	*	Mayor
Doug Burton	*	Council Member
Leon Tate	*	Council Member
Kathy Dixon	*	Council Member
Mary Ann Chancellor	*	Council Member
Chance Harvey	*	Mayor Pro Tem
Dan Freeman	*	Council Member

STAFF:	Jacqueline L. Lee	*	City Manager
	Othel Murphree	*	City Secretary
	Patrick Harvey	*	Director of Finance
	Phillip Prasifka	*	Chief of Police
	Chris Shook	*	Fire Chief
	Kristen Smith-Davis	*	Human Resource Director
	Joe Goodman	*	Director of Public Works
	Connie Hearne	*	Assistant to the City Manager
	Judy Bell	*	Executive General Manager for Planning and Municipal Services

CONSULTANT:

Monte Akers	*	City Attorney
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Mayor Pereira called the meeting to order at 7:35 p.m.

INVOCATION: Pastor Dansby gave the invocation.

PLEDGE OF ALLEGIANCE – Led by the Second Grade Class of Gina Henderson from D.T. Shields Elementary Red Oak ISD Mayor Pereira presented Mrs. Henderson and class with a Copy of a proclamation declaring the week of September 12 – 18, 2010 “Constitution Week” in the City of Glenn Heights.

PUBLIC COMMENTS:

Debra Ceech, 520 Magnolia Lane, voiced support for the City Manager, Jacqueline Lee, and the progress the City had made under her direction.

Alvin Trueblood, 605 Azalea Drive, spoke in support of the City Manager and Bill Terry, the Code Enforcement Officer.

James Berman, 2703 Juniper Lane, spoke in support of the City Manager.

At the request of Councilwoman Dixon the Executive Session was moved before the Consent Agenda.

2. Executive Session, pursuant to Chapter 551, Texas Local Government Code (Open Meetings Act), in accordance with the authority contained in Section 551.071, advice of legal counsel, and Section 551.074, personnel, to discuss the following:

- a. Duties and responsibilities of City Manager Jacqueline L. Lee, Mayor Victor Pereira and Council Members Kathy Dixon, Mary Ann Chancellor, Doug Burton, Leon Tate, Chance Harvey and Dan Freeman.
- b. Legal requirements for going into executive session pursuant to the Texas Open Meetings Act.

Councilman Burton moved to convene into closed session pursuant to Chapter 551, Texas Local Government Code (Open Meetings Act), in accordance with the authority contained in Section 551.071, advice of legal counsel, and Section 551.074, personnel. Councilwoman Chancellor made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Freeman, Choate, Chancellor, and Pereira

The City Council convened into closed meeting at 7:52 p.m.

Councilman Freeman moved to come out of the closed meeting. Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Freeman, Choate, Chancellor, and Pereira

3. Reconvene and consider any Official Action as a result of the Executive Session.

Mayor Pereira called the meeting back to order at 9:09 p.m. with there being no official action as a result of the Executive Session.

Councilman Freeman moved to recess for s short break. Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Freeman, Choate, Chancellor, and Pereira

Mayor Pereira recessed the meeting at 9:09 p.m.

Mayor Pereira called the meeting back to order at 9:18 p.m.

PROCLAMATIONS: "PATRIOT DAY – FIRST RESPONDER DAY"

Mayor Pereira read the **"PATRIOT DAY – FIRST RESPONDER DAY"** proclamation declaring Thursday, September 11, 2010 as Patriot Day - First Responder Day in the City of Glenn Heights.

Consent Agenda: All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion on these items unless a Council Member makes a request for discussion. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

1. Consider and approve the minutes of August 30, 2010, Special meeting and September 2, 2010, Special meeting of

Councilwoman Dixon moved to approve the Consent Items with corrections. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

4. Reconsideration of Resolution R-28-10 adopting and authorizing the City Manager to implement an amended Job Classification and Compensation Plan. Mayor Pro Tem Harvey requested Resolution R-28-10 be reconsidered.

Mayor Pro Tem Harvey moved to approve the reclassification/addition of the positions listed below with funding.

Current Title	Proposed Title	Recommended Salary	Budgetary Impact
Sr. Court Clerk	Change title & salary to Court Administrator	51,780.00	8,141.60
Utility Billing Administrator	Change title & salary to Utility Billing Manager	45,432.00	3,083.20
Field Technician	Change title & salary to Field Supervisor	31,848.00	752.00
FY Total Impact			11,976.80

Councilman Freeman made the second. The motion carried with the following vote:

VOTE: 6 Ayes – Burton, Tate, Dixon, Chancellor, Harvey, and Freeman
1 Against - Pereira

Councilman Burton moved to approve the following changes to the Job Classification and Compensation Plan.

Current Title	Proposed Change	Recommended change
Exec. GM of MS & Planning	Change title to Assistant City Manager- Development & Planning	Change in title only.
Deputy Court Clerk	Change salary only.	Change in salary band only. Employee meets/exceeds salary min.
Police Officer	Change title & salary to Police Corporal	Change in title and salary band only. Employee meets/exceeds salary min.
Director of Finance	Change title to Chief Financial Officer	Change in title only.
Fire Lieutenant	Change salary only	Change in salary band only. Employee meets/exceeds salary min.
Assistant to the City Manager	Management Analyst	Change in title and salary band only. Employee meets/exceeds salary min.

Councilwoman Chancellor made the second. The motion carried with the following vote:

VOTE: 4 Ayes – Burton, Chancellor, Harvey, and Freeman
3 Against – Tate, Dixon and Pereira

Councilwoman Chancellor moved to approve Resolution R-28-10 adopting and authorizing the City Manager to implement an amended Job Classification Plan including the following provisions

- o Compensation Philosophy

“The City of Glenn Heights strives to deliver a competitive, equitable and fiscally sustainable total rewards package that attracts, retains and motivates quality employees. Through continuous review of resources and organizational need, efforts will be made to offer compensation reflective of our greatest internal resource- our employees.”

- o The City’s Market Approach

The City will match the average compensation levels of surveyed cities.

- o The frequency of market review and plan updates

- *New positions are recommended based on immediate organizational need*

- *Positions are determined to be grossly misclassified based on internal job audits or other data*
 - *Organizational revenues make a significant shift +/- impacting the sustainability of certain employee total rewards*
- The frequency of funding considerations for the plan

Funding of pay provisions will be reviewed annually during the budget deliberation process.

- Providing funding for Phase One of the implementation for those employees that do not meet the minimum starting pay levels as determined by the current market. (FY2011 cost impact= \$11,977)

Councilman Burton made the second. The motion carried with the following vote:

VOTE: **5** **Ayes** – Burton, Tate, Chancellor, Harvey, and Freeman
 2 **Against** –Dixon and Pereira

Item 6 was moved ahead of Item 5.

6. Consider adopting the Water and Wastewater Rate Study conducted by Chris Ekrut, J. Stowe & Co. LLC. and approve Ordinance O-20-10 amending the Fee Appendix of the Code of Ordinances, Appendix A, "Fee Schedule", Article 7.01 "Utility Related Fees", relative to establishing and adopting revised Utility Rates.

Chris Ekrut, J. Stowe & Co., LLC, provided information to the City Council on Monday, August 16, 2010, whereby he stated that the Utility Fund is projected to have a negative balance at the end of FY09-10. The water rates will sufficiently support that utility until FY11-12; however, the wastewater rates are approximately 38% deficient at this point.

Mr. Ekrut recommended the City Council immediately adopt and implement a 4" water meter charge inside the City of \$315.25, \$429.75 outside the City and \$157.75 for irrigation. Regarding a 4" wastewater base charge, Mr. Ekrut recommends a rate of \$668 inside the City and \$768 outside the City. Finally, the immediate recommendation is that the wastewater rates are as follows:

	<u>Inside City</u>	<u>Outside City</u>
Base charge:		
3/4"	\$ 26.72	\$ 30.72
1"	\$ 66.79	\$ 76.81
1 1/2"	\$133.58	\$153.62
2"	\$213.73	\$245.79
3"	\$400.74	\$460.85
4"	\$668.00	\$768.00
 Volume Charge per 1,000	 4.95	 5.69

In addition, Mr. Ekrut recommended the City approve incremental increases for water and wastewater on an annual basis to both cover the increased costs passed along from the providers and to aid in rebuilding fund balance.

A bill for an inside the City customer, assuming 5,000 gallons of water consumption, as compared to the current rates would appear as:

	<u>Current</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>
Water	\$ 23.81	\$ 23.81	\$ 25.75	\$ 27.80
Wastewater	<u>\$ 37.44</u>	<u>\$ 51.57</u>	<u>\$ 54.08</u>	<u>\$56.90</u>
Total	\$ 61.25	\$ 75.28	\$ 79.83	\$ 84.70
 Increase		 \$ 14.03	 \$ 4.55	 \$ 4.87

Adoption of the water and wastewater rates, as proposed in the study conducted by Chris Ekrut, J. Stowe & Co., will enable the Utility Fund to recover from the current deficit and, if the study is followed annually, build a fund balance over the next few years.

Staff recommended that Mr. Ekrut’s study be adopted by the City Council with the implementation of new rates as follows:

	<u>Inside City</u>	<u>Outside City</u>
Base charge:		
3/4"	\$ 26.72	\$ 30.72
1"	\$ 66.79	\$ 76.81
1 1/2"	\$133.58	\$153.62
2"	\$213.73	\$245.79
3"	\$400.74	\$460.85
4"	\$668.00	\$768.00
 Volume Charge per 1,000	 4.95	 5.69

Plus the adoption of a 4" water meter charge inside the City of \$315.25, \$429.75 outside the City and \$157.75 for irrigation. Additionally, a 4" wastewater base charge should be \$668 inside the City and \$768 outside the City.

Mayor Pro Tem Harvey moved to adopt the Water and Wastewater Rate Study conducted by Chris Ekrut, J. Stowe & Co. LLC. and approve Ordinance O-20-10 amending the Fee Appendix of the Code of Ordinances, Appendix A, "Fee Schedule", Article 7.01 "Utility Related Fees", relative to establishing and adopting revised Utility Rates. Councilman Freeman made the second. The motion was approved with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

5. Consider and approve Ordinance O-19-10, amending the Fee Appendix of the Code of Ordinances, Appendix A of the Municipal Drainage System Fee Ordinance O-08-09; establishing and adopting revised Municipal Drainage Systems Fees

Allen Mullins and Damon Cobb, Pros Consulting, LLC, was commissioned to study the City's drainage fee with regard to compliance with state mandates and service levels proposed for the Glenn Heights's citizens.

Mr. Cobb, stated the City must spend \$108,240 in FY10-11 simply to meet the required mandates. With the added debt payment for the Gradall (\$20,302) and inclusion of a franchise fee for the City (\$32,500) this total increases to \$161,042. As the presentation reflected, Staff labeled these amounts as priority 1.

Priority 2 added \$68,000 to the proposed budget by adding educational materials for citizens and Staff (\$5,000), engineering for proposed drainage projects (\$10,000), storm system improvements (\$15,000), rights-of-way maintenance (\$20,000), manhole rehabilitation (\$10,000) to reduce inflow and infiltration (I&I) and a vehicle for the proposed heavy equipment operator (\$8,000).

Priority 3 added another \$55,000 to the proposed budget by adding additional engineering for more drainage projects (\$10,000), additional storm system improvements (\$25,000) and the remainder of the rights-of-way maintenance (\$20,000).

During the recent presentation the City Council had questions concerning why some items such as engineering, storm system improvements and rights-of-way maintenance were split. The answer to this is that Staff is aware that funds are limited but projects are plentiful. Staff has assembled project lists for this fund and would propose that storm system improvements, which can require engineering design and recommendations, would include: (1) the installation of culverts on the north side of Bear Creek Road, west of Westmoreland Road; (2) installation of culverts on Pearly Top in a resident's side yard; (3) the cleaning and defining of the ditch line from Stone Creek Blvd. south to FM 664 (Ovilla Road) to aid in shedding water away from Hampton Road; and (4) clean and define approximately 2.3 miles of ditch line on Westmoreland Road, south of Bear Creek Road, redirecting the storm water to Little Creek rather than the roadway.

With regard to the rights-of-way maintenance, if the funds are not available for the mowing of all areas, Staff would recommend the City Council identify areas to be mowed that could reduce the cost. The entire rights-of-way that are currently maintained could be privatized for approximately \$40,000 but could be reduced to accommodate the availability of these funds.

The adoption of the recommended residential and commercial drainage fees would enable the City to meet all State's unfunded mandates as well as provide several infrastructure enhancements and services. All these can be provided under this authorized fee and will also relieve unnecessary expenses from the General Fund.

The recommendation from Pros Consulting, LLC and Staff is that City Council adopt the monthly citizen drainage fee is \$5.08 and the tiered commercial rates be:

Group 1	\$ 15.00
Group 2	\$ 30.00
Group 3	\$ 50.00
Group 4	\$100.00
Group 5	\$175.00

Councilwoman Chancellor moved to approve Ordinance O-19-10, amending the Fee Appendix of the Code of Ordinances, Appendix A of the Municipal Drainage System Fee Ordinance O-08-09; establishing and adopting revised Municipal Drainage Systems Fees. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: **6** **Ayes** – Burton, Dixon, Pereira, Chancellor, Harvey, and Freeman
 1 **Against** – Tate

7. Consider and approve all proposed projects and authorize the City Manager to engage the services of the City Engineer to complete: (1) the design and technical support of the Bear Creek Road and I-35E intersection; (2) the design and technical support of Hampton Road from the Ellis County line to the Ovilla Road intersection; (3) the design and technical support for the 2,000 gpm water pump and controls at the Northwest Pump Station; (4) to continue the authorized debt support of the Red Oak Creek wastewater collection system and treatment plant; and (5) to engage a qualified consultant to develop and complete a new Water and Wastewater Impact Fee study upon the completion of the hydraulic model, Comprehensive Plan and Capital Improvement Plan.

The City adopted the current Roadway Impact Fees in 2003 and the current Water and Wastewater Impact Fees in 2005. A review of the City's records indicates that since adoption of the Impact Fees and the respective studies there has not been an implementation strategy to initiate and complete the projects.

The Texas Local Government Code (TLGC), Chapter 395 is the authorizing legislation for Impact Fees. The City Council was provided a definition as provided by this enabling authority.

Several projects were presented as options for City Council consideration. These projects covered the infrastructure from water, wastewater, roadways and a future impact fee update for water and wastewater.

Since that time two questions have arisen from Council members. Question one is "Can the City utilize the impact fees to rehabilitate Hampton Road from the Ellis County line to the Ovilla Road intersection." Section 395.012 Items Payable by Fee states that: "An impact fee may be imposed only to pay for costs of constructing capital improvements or facility expansions, including and limited to the: (1) construction

contract price; (2) surveying and engineering fees; (3) land acquisition costs, including land purchases, court awards and costs, attorney's fees, and expert witness fees; and (4) fees actually paid or contracted to be paid to an independent qualified engineer or financial consultant preparing or updating the capital improvement plan who is not an employee of the political subdivision." The TLGC goes on to say in Section 395.013 Items Not Payable by Fee: "Impact fees may not be adopted or used to pay for: (1) construction, acquisition, or expansion of public facilities or assets other than capital improvements or facility expansions identified in the capital improvements plan; (2) repair, operation, or maintenance of existing or new capital improvements or facility expansions; (3) upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards; (4) upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development; (5) administrative or operating costs of the political subdivision, except the Edwards Underground Water District or a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may use impact fees to pay its administrative and operating costs; and (6) principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed in Section 395.012." The statute is very clear that these funds can only be spent for capital projects identified in the Impact Fee Capital Improvement Plan that addressed expansion needs for future growth and it cannot be spent on projects not identified in the Impact Fee Capital Improvement Plan and that address repair, operation and maintenance of existing infrastructure.

The second question has come up "why does Staff recommends spending this money now?" The TLGC addresses this matter under Section 395.025 Refunds. This Section reads in part: "(a) On the request of an owner of the property on which an impact fee has been paid, the political subdivision shall refund the impact fee if existing facilities are available and service is denied or the political subdivision has, after collecting the fee when service was not available, failed to commence construction within two years or service is not available within a reasonable period considering the type of capital improvement or facility expansion to be constructed, but in no event later than five years from the date of payment..."; (b) Repealed...; (c) The political subdivision shall refund any impact fee or part of it that is not spent as authorized by this chapter within 10 years after the date of payment; (d) Any refund shall bear interest calculated from the date of collection to the date of refund at the statutory rate as set forth in Section 302.002, Finance Code, or its successor statute; (e) All refunds shall be made to the record owner of the property at the time the refund is paid...; (f) The owner of the property on which an impact fee has been paid or another political subdivision or governmental entity that paid the impact fee has standing to sue for a refund under this section." The City must arrive at an implementation method for using these funds in the timeframe stated in the statute. Staff has made recommendations only for projects we believe could advance the proper development of the City.

The recommended projects are:

Roadway Impact Fees

By expanding major intersections the City will realize an enhanced service level of the major arterial roadways such as Bear Creek Road. Although the Thoroughfare Plan and Impact Fee CIP call for six-lane divided roadways, this proposal includes the design for ultimate build-out but would recommend only four-lane construction at this time. The Bear Creek Road and I-35E intersection reconstruction will also provide aesthetic enhancements with a wide median for lighting and landscaping. This project will cost \$349,514.

Additionally, there is two Uhl Road design projects proposed in order to eliminate the four (4) ninety degree (90°) turns. Uhl Road is also ultimately planned to be six-lane divided but proposed for current construction of two-lanes with an extremely wide median accommodating hiking and biking trails. When the growth demands the City can construct two (2) or four (4) more lanes. The design of the realignment of north Uhl Road would be \$202,653 and south Uhl Road would be \$236,137.

A map indicating the authorized areas for roadway expansion projects are allowed under the current roadway impact fees is included with this Memo.

Since the recent Impact Fee proposed projects presentation and after the discussion about plans for the rehabilitation of Hampton Road from the Ellis County line south to Ovilla Road, Staff requested Frank Razor to provide a cost estimate for the design and technical support for that section of roadway. Mr. Razor's report has not been received at this time but Staff is in hopes of having that in time for the September 7, 2010 meeting. It would be Staff's proposal that Council disregard the two Uhl Road projects and consider the engineering design of the I-35E and Bear Creek Road intersection and the Hampton Road from Ovilla Road to the Ellis County line.

Water Impact Fees

The 2,000 gpm water pump at the Northwest Pump Station is being recommended due to its impact on water delivery, pressure and State compliance. Texas Commission on Environmental Quality (TCEQ) requires all water providers to pump two (2) gpm per connection or 1,000 gpm with the largest pump out-of-service and meet peak hourly water demand. Currently Glenn Heights exceeds that capacity but, in preparing for future growth and remain in compliance with the State and the Impact Fee CIP, this is a viable project. This design project would cost \$35,000.

Wastewater Impact Fees

Increased delivery of wastewater to the Red Oak Creek WWTP has created the need to expand the plant. TCEQ requires that when a WWTP reaches eighty percent (80%) capacity the permit holder must begin design for expansion. Additionally, when the plant reaches ninety percent (90%) capacity the permit holder must begin construction of the expansion. The allowed contribution in the current Impact Fee is \$187,803 annually.

The 2003 Wastewater Impact Fees allow the City to support the debt obligation of the Red Oak Creek WWTP with collected impact fees.

Water and Wastewater Impact Fees

In 2007 J. Stowe and Company was commissioned to update the Water and Wastewater Impact Fee study. In the midst of that study the City experienced a major change in management and personnel. The new management suspended the study until Staff could evaluate the City's processes, studies and conditions. After a complete review, Staff recognized the capital recommendations to be used for the Impact Fee studies were developed without benefit of necessary technology (i.e., computerized hydraulic model). Also, City Council authorized the update of the Comprehensive Plan and development of a Capital Improvement Plan (CIP). Based primarily on the previous rationale, the Water and Wastewater Impact Fee study was completed and it was determined that at this time the City should make no change in the current Water and Wastewater Impact Fees.

At the completion of the development of the computerized hydraulic model, Comprehensive Plan update and CIP, a new Water and Wastewater Impact Fee study should be conducted with the resulting findings. Chapter 395 of the Texas Local Government Code (TLGC) provides that all impact fee studies must be updated every five (5) years. This study would be sooner than is required by law but the base information for the study would be fresh and founded on the results of the hydraulic model, the Comprehensive Plan and CIP. The estimated cost for this study is \$35,000.

The total of all the projects presented on August 16, 2010 minus the two (2) Uhl Road design projects, is \$607,317. Sufficient funds are available in the Impact Fee accounts.

The addition of the design of Hampton Road from the Ellis County line to the Ovilla Road intersection will increase that amount but the total is unclear at this time. However, there would be sufficient funds available in the Impact Fee accounts to cover the recommended projects.

Staff recommends the City Council consider all proposed projects and authorize the City Manager to engage the services of the City Engineer to complete: (1) the design and technical support of the Bear Creek Road and I-35E intersection; (2) the design and technical support of Hampton Road from the Ellis County line to the Ovilla Road intersection; (3) the design and technical support for the 2,000 gpm water pump and controls at the Northwest Pump Station; (4) to continue the authorized debt support of the Red Oak Creek wastewater collection system and treatment plant; and (5) to engage a qualified consultant to develop and complete a new Water and Wastewater Impact Fee study upon the completion of the hydraulic model, Comprehensive Plan and Capital Improvement Plan.

Councilwoman Dixon moved to approve all proposed projects and authorize the City Manager to engage the services of the City Engineer to complete: (1) the design and technical support of the Bear Creek Road and I-35E intersection; (2) the design and

technical support of Hampton Road from the Ellis County line to the Ovilla Road intersection; (3) the design and technical support for the 2,000 gpm water pump and controls at the Northwest Pump Station; (4) to continue the authorized debt support of the Red Oak Creek wastewater collection system and treatment plant; and (5) to engage a qualified consultant to develop and complete a new Water and Wastewater Impact Fee study upon the completion of the hydraulic model, Comprehensive Plan and Capital Improvement Plan. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Freeman, Choate, Chancellor, and Pereira

8. Consider and adopt the Vehicle/Equipment Replacement Policy and the FY2010-2011 vehicle/equipment multiyear capital budget.

As part of the FY 2011 budget development process, department heads were asked to provide a comprehensive list of vehicles and equipment. The list provided a description, estimated replacement cost, condition and estimated useful life. Staff researched vehicle/equipment replacement policies of other cities and developed a City of Glenn Heights Vehicle and Equipment Replacement Policy. The policy provides for:

- replacement criteria and categories
- replacement guidelines
- flexibility
- Ten year schedule of planned acquisitions of vehicles and equipment
- Three capital acquisitions budget
- Comparison between current fleet and fleet in the fleet in the future.

Staff recommended the Council adopt the vehicle/equipment replacement policy and the FY 2010/2011 vehicle/equipment multiyear capital budget.

Councilwoman Dixon moved to adopt the Vehicle/Equipment Replacement Policy and the FY2010-2011 vehicle/equipment multiyear capital budget. Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Freeman, Choate, Chancellor, and Pereira

9. Consider and Approve Adoption of Ordinance O-21-10 an Ordinance of the City Council of the City of Council of the City of Glenn Heights, Texas, adopting the Annual Program of Services for the Fiscal Year beginning October 1, 2010 and ending September 30, 2011 and making appropriations for each Department, Project and Account for said year in accordance with the Code of Ordinances for the City of Glenn Heights, Texas and the Laws of the State of Texas; providing a severability clause; and providing an effective date.

Section 7.07 of the Glenn Heights Home Rule charter provides that the Glenn Heights City Council adopt the budget by a favorable majority vote of all the members.

During the month of August 2010, Council and staff met in budget workshops to discuss the FY 2011 Annual Program of Services. Modifications have been made to the City Manager's recommended budget as a result of these meetings, primarily to reduce General Fund expenditures to reflect the Council's record vote tax rate of \$0.795.

The approval and adoption of the budget ordinance funds the Annual Program of Services for the City of Glenn Heights for the fiscal year 2010-2011. Staff proposes the following total appropriation amounts by fund for fiscal year 2010-2011:

General Fund (includes \$34,500 for the Comprehensive Plan Update)	\$4,652,439
Water & Sewer Fund (includes \$600,532 transfer to General Fund)	4,477,117
Municipal Drainage Fund	264,042
Debt Service	829,306
Court Technology	5,500
Court Security	6,100
911 Wireless Fund	35,000
Impact Fee Fund	222,803
Park Land Development	101,200
FY 2006 Capital Projects	1,806,543
FY 2008 Capital Projects (a transfer to the FY 2006 Capital Projects)	<u>469,257</u>
Total FY 2011 Appropriations	<u>\$12,869,307</u>

Staff recommends the approval of the FY 2011 Annual Program of Services.

Councilman Freeman moved to approve Ordinance O-21-10 an Ordinance of the City Council of the City of Council of the City of Glenn Heights, Texas, adopting the Annual Program of Services for the Fiscal Year beginning October 1, 2010 and ending September 30, 2011 and making appropriations for each Department, Project and Account for said year in accordance with the Code of Ordinances for the City of Glenn Heights, Texas and the Laws of the State of Texas. Councilman Burton made the second. The motion carried with the following vote:

VOTE: **4** **Ayes** – Burton, Chancellor, Harvey, and Freeman
 3 **Against** – Tate, Dixon and Pereira

10. Consider and Approve Adoption of Ordinance O-22-10 an Ordinance of the City Council of the City of Glenn Heights, Texas, Ratifying the property tax revenue increase reflected in the Annual Program of Services for the Fiscal Year Beginning on October 1, 2010 and Ending on September 30, 2011.

Pursuant to House Bill 3195 enacted by the Texas State Legislature, the City Council is required to hold a separate vote to ratify the property tax revenue increase reflected in the FY 2010-2011 Annual Program of Services.

Upon approval by the City Council, the ordinance ratifying the property tax increase reflected in the Annual Program of Services for FY 2010-2011 would be approved.

The proposed property tax rate of \$0.795/\$100 will raise more property taxes than last year's budget by \$117,883 or 3.86%; and of that amount, \$74,721 is tax revenue to be raised from new property added to the tax roll this year.

Staff recommends the approval of the proposed property tax rate increase.

Councilman Burton moved to approve Ordinance O-22-10 an Ordinance of the City Council of the City of Glenn Heights, Texas, Ratifying the property tax revenue increase reflected in the Annual Program of Services for the Fiscal Year Beginning on October 1, 2010 and Ending on September 30, 2011. Councilwoman Chancellor made the second. The motion carried with the following vote:

VOTE: **4** **Ayes** – Burton, Chancellor, Harvey, and Freeman
 3 **Against** – Tate, Dixon and Pereira

11. Consider and Approve Adoption of Ordinance O-23-10 an Ordinance of the City Council of the City of Glenn Heights, Texas, providing for the Assessment, Levy and Collection of Ad Valorem Taxes for the City of Glenn Heights, Texas, for the Year 2010 on all Taxable Property within the Corporate Limits of the City as of January 1, 2010, not exempt by Law; providing Revenues for payment of Current Municipal Expenses; providing for the collection of Taxes and the enforcement of collections; and providing an effective date.

Tax Code Section 26.05 requires a taxing unit to adopt its tax rate before September 30, or by the 60th day after the taxing unit receives the certified appraisal roll, whichever date is later.

The year's effective tax rate is \$0.78384/\$100. This rate would impose the same total taxes as last year if one compared properties taxed in both years. This year's rollback rate is 40.82956/\$100. This rate is the highest tax rate the City can adopt before the taxpayers can start rollback procedures. To provide adequate resources to provide the proposed services in FY2011, staff recommends the City Council approve the record vote ad valorem tax rate of \$0.795/\$100. The M7O portion of the tax rate is \$0.6514/100 and the I&S portion of the tax rate is \$0.1436/\$100.

The proposed rate will generate \$2,546,983 of property tax revenue for the General Fund and \$572,527 of property tax revenue for the Debt Service Fund.

Councilman Burton moved to adopt Ordinance O-23-10 an ordinance that provides that the property tax rate be increased by the adoption of a tax rate of 0.79500, which is effectively a 1.42 percent increase in the tax rate. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: **4** **Ayes** – Burton, Chancellor, Harvey, and Freeman
 3 **Against** – Tate, Dixon and Pereira

12. Consider and approve Resolution R-29-10 adopting the City's Mission Statement.

At the Strategic Planning Retreat held on Saturday, July 10, 2010, there was discussion to revise the Mission Statement as, "To serve the public interest, advance the quality of life for all citizens, and preserve our small town atmosphere by embracing diversity and family values."

During the August 21, 2010, Special Meeting of the City Council, there was discussion about adding some wording about "economic development" as voiced by the Comprehensive Plan Advisory Committee. At that meeting, Staff was directed to place the adoption of the Mission Statement on a future agenda for adoption.

A Mission Statement articulates the City's purpose both for those in the organization and for the public. The statement answers the question, "Why do we exist?" Two versions of the Mission Statement are presented below for Council's consideration, thereby selecting one of the two options as the City's Mission Statement and to ratify by attached resolution.

Option 1: To serve the public interest, advance the quality of life for all citizens, and preserve our small town atmosphere by embracing diversity and family values."

Option 2: To serve the public interest, advance the quality of life for all citizens, and preserve our small town atmosphere by embracing diversity, economic vitality and family values."

Mayor Pereira moved to approve Resolution R-29-10 adopting the City's Mission Statement.

"To serve the public interest, advance the quality of life for all citizens, and preserve our small town atmosphere by embracing diversity and family values."

Councilman Freeman made the second. The motion carried with the following vote:

VOTE: **6** **Ayes** – Burton, Dixon, Pereira, Chancellor, Harvey, and Freeman
 1 **Against** – Tate

13. Consider adopting the Town Centre concept and approve the continued master planning of the City's site.

The City of Glenn Heights has discussed and desired to plan and develop a Town Centre for over several years. In August 2003 the City purchased approximately seventy-two (72) acres for the location of such a focal point of the City. In 2009 the City adopted a Zoning Ordinance that includes criterion for such a district.

During several planning sessions between City Council and Staff, there have been discussions about the vision for this project. The input received by Staff has been assembled and presented to the City Council informally.

The most recent Council input was received on Saturday, July 10, 2010, at a strategic planning workshop. Based on that input, Staff combined this project with the Comprehensive Plan update and requested Freese & Nichols to prepare a "Concept Plan" (copy attached) for the City Council's consideration. Staff believes this Plan incorporates the elements expressed to be important to the City Council and also achieves the criterion in the Zoning Ordinance.

The decision to develop a Town Centre will have an impact on the City's budget. The initial cost to develop the Town Centre will create a large debt service obligation for the City. However, upon the complete build-out of this Centre will realize the City new ad valorem and sales tax dollars.

Staff recommends the City Council adopt the Town Centre concept and approve the continued master planning of the City's site.

Councilman Freeman moved to adopt the Town Centre concept and approve the continued master planning of the City's site. Councilwoman Dixon made the second. The motion carried with the following vote:

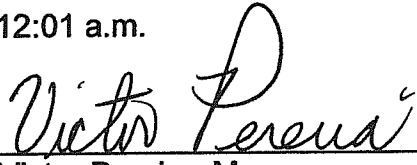
VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

14. ADJOURNMENT

Councilwoman Dixon moved to adjourn. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

Mayor Pereira adjourned the meeting at 12:01 a.m.



Victor Pereira, Mayor

Attest:



Othel Murphree, City Secretary

Passed and Approved 20th day of September, 2010.