

separate discussion on these items. 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 September 7, 2010 regular meeting.

Councilwoman Dixon moved to approve the minutes with corrections. Councilman Burton made the second. The motion carried with the following vote:

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

2. Consider accepting the verbal resignation of Ed Schellinger from the Planning and Zoning Commission and consider appointments to the Planning and Zoning Commission.

Ed Schellinger, a member of the Commission, rendered his verbal resignation to the City Manager in August 2010. The position of Mr. Schellinger on the Commission was Place 2 and the term for Place 2 will expire June 2011.

Staff recommended the Council accept Mr. Schellinger's resignation and appoint a new member to the Commission to complete the vacated term. The appointment would extend from the date of appointment until June 2011.

The City Secretary's Office has three applications on file for the Planning and Zoning Commission.

- Dorothy Loney, 206 Abel Drive
- Willie B. Sublet, Jr., 1532 Glenn Lane
- Lori Berman, 2703 Juniper Drive

Councilwoman Dixon moved to accept the resignation of Ed Schellinger from the Planning and Zoning Commission. Councilman Freeman made the second. The motion carried with the following vote:

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

The City Council interviewed each applicant.

Councilman Burton moved to appoint Lori Berman to Place 2 on the Planning and Zoning Commission to complete the vacated term. Councilwoman Dixon made the second. The motion carried with the following vote:

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

3. Consider approving Resolution R-30-10 of the City of Glenn Heights, Texas finding and declaring that the City's best interest is served by investing in a computerized Hydraulic Model for the proper evaluation of the Impact Fee Capital Improvements Plan and declaring an effective date.

The cost of this model is estimated by the City Engineer to cost \$49,500.00 and can be available in approximately one hundred twenty (120) days. This cost is included in and was approved with the FY10-11 budget; however, with appropriate wording in the Council motion this expenditure can be reimbursed to the Water Fund after the next Water and Wastewater Impact Fee is developed and approved.

Councilman Freeman moved to approve Resolution R-30-10 finding and declaring that the City's best interest is served by investing up to \$49,500.00 in a computerized Hydraulic Model for the proper evaluation of the Impact Fee Capital Improvements Plan. Councilman Burton made the second. The motion carried with the following vote:

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

4. Consider approving Resolution R-31-10 establishing a date for a public hearing to consider updated Impact Fee Land Use Assumptions, updated Impact Fee Capital Improvements Plan, and adoption of an Ordinance amending the Roadway Impact Fees.

Under the Texas Local Government Code Chapter 395, cities are required to update their impact fees every five (5) years. In order to remain in compliance, the City of Glenn Heights is required to take action on the Roadway Impact Fees this year.

Freese and Nichols were retained by the City to conduct a Roadway Impact Fee Study. An updated report is required every five (5) years before any changes can be made to Roadway Impact Fees. Eddie Haas, consultant with Freese and Nichols, presented the report to the Impact Fee Advisory Committee. Mr. Haas presented the Committee with a cost per service unit calculation and impact fee comparison (cost compared with other cities). The Impact Fee Advisory Committee reviewed the results of the study and is preparing their comments for the City Council. The next step required in the process of updating the Roadway Impact Fees is for Council to approve a resolution establishing a date for a public hearing to consider the updated impact fee land use assumptions, updated impact fee capital improvements plan, and adoption of an ordinance amending the roadway impact fees.

Until the new Roadway Impact Fee is adopted, no financial impact can be determined.

The Staff respectfully requests that the Glenn Heights City Council approve the resolution establishing a date for a public hearing to consider updated impact fee land use assumptions, updated impact fee capital improvements plan, and adoption of an ordinance amending the roadway impact fees.

Councilman Freeman moved to approve Resolution R-31-10 establishing a date of November 15, 2010 for a public hearing to consider updated Impact Fee Land Use Assumptions, updated Impact Fee Capital Improvements Plan, and adoption of an Ordinance amending the Roadway Impact Fees. Councilwoman Chancellor made the second. The motion carried with the following vote:

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

5. Consider and approve Ordinance O-24-10 of the City Council of the City of Glenn Heights, Texas approving new rates for ATMOS Energy Corp., MID-TEX Division in response to the Company's third rate review mechanism (RRM) filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect just and reasonable rates; extending the RRM process for two cycles and adopting a new RRM tariff, including cost recovery for a steel service line replacement program; adopting a savings clause; determining that this ordinance was passed in requirements of the Texas Open Meetings Act; declaring and effective date; and requiring delivery of this ordinance to the Company. 1st Reading

Atmos Energy – Mid-Tex Division *RRM Filing* - Executive Summary

- Atmos Energy began the rate review mechanism (RRM) in 2008 as part of a three year pilot program.
 - The RRM is an agreement between Atmos Energy and the cities to provide an annual transparent review of company expenses and investment.
 - The use of the RRM has significantly reduced the cost of litigation in these filings.
- With the success of this pilot, the company has reached agreement with coalition city representatives to extend the RRM for two more years.
 - RRM extension includes an accelerated replacement program for steel-service lines.
 - The company is working with the Texas Railroad Commission's safety division to ensure the highest priority service lines are replaced in this two year period.
- Overall impact to customers
 - Average Residential customer (using 4.5 Mcf a month) will have an increase of \$1.40/month, 3.15% overall. Based on the original RRM proposal, this increase would have been \$3.21/month, 7.22% overall.
 - Average Commercial customer (using 34.2 Mcf a month) will have an increase of \$3.82/month, 1.58% overall. Based on the original RRM proposal, this increase would have been \$8.62/month, 3.57% overall.

Councilman Burton moved to approve Ordinance O-24-10 of the City Council of the City of Glenn Heights, Texas approving new rates for ATMOS Energy Corp., MID-TEX Division in response to the Company's third rate review mechanism (RRM) filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect just and reasonable rates; extending the RRM process for two cycles and adopting a new RRM tariff, including cost recovery for a steel service line replacement program. Councilwoman Chancellor made the second. The motion carried with the following vote:

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

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

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

Mayor Pereira recessed the meeting at 8:50 p.m.

Mayor Pereira called the meeting back to order at 9:00 p.m.

6. Consider and approve Ordinance O-25-10 amending the Code of Ordinances by enactment of a New Section 1.02.009 or Article 1.02 of Chapter 1 to provide a procedure for reimbursement of lawful expenditures made by Council Members in behalf of the City or expenses incurred in the performance of their duties. 2nd Reading.

Amending the Code of Ordinance by enactment of a new Section 1.02.009 or Article 1.02 of Chapter 1 to provide a procedure for reimbursement of lawful expenditures made by Council Members on behalf of the City or expenses incurred in the performance of their duties would establish a procedure for the Mayor and Council Members to follow when requesting reimbursement of lawful expenditures.

During the September 2, 2010 Council meeting the following items, under Section 1.02.009 (c) were discussed for revision prior to adoption:

- All expenditures for reimbursement (travel, meals, lodging, training and conference expenses) must be pre-approved to ensure adequate funds are available for reimbursement by the City;
- The maximum amount allowable for travel, meals and lodging must not exceed the maximum rate allowed as a per diem rate under current Internal Revenue Regulations. Receipts are required for all reimbursements exceeding per diem.
- The Mayor shall have access to a City-paid cellular telephone. No other cellular or landline telephone expenses shall be covered by the City.

The budget will be affected depending on the dollar amount allocated and/or per the Governing Body as a whole or individual expenditures that are encumbered.

Councilman Freeman moved to approve Ordinance O-25-2010 amending the Code of Ordinances by enactment of a New Section 1.02.09 or Article 1.02 of Chapter 1 to provide a procedure for reimbursement of lawful expenditures made by Council Members in behalf of the City or expenses incurred in the performance of their duties. Mayor Pro Tem Harvey made the second. The motion carried with the following vote:

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

7. Discuss and consider how to proceed with the S. Hampton Road (County line to Ovilla Road) rehabilitation or reconstruction.

On September 2, 2010 the City Council received information regarding street maintenance, projects and options. As a result of that presentation the City Council approved \$20,000 for the FY11 street maintenance but also requested specific options related to the rehabilitation or reconstruction of Hampton Rd. from Ovilla Rd. north to the Ellis County line. Also, Council requested information about funding options and the effects on future financing and bond rating of the City.

Rehabilitation/Construction Options

Option One - Partner with Ellis County Commissioner to chip seal approximately 5,600 lf from Ovilla Rd. to the Ellis County line at \$83,000 (paid over 3 years). This option includes no repairs to the road base. The life expectancy of this repair would be one year or less.

Option Two - Partner for the chip seal (\$83,000) plus contract for the milling and compaction of worse roadway base areas (\$109,200), at an estimated total of \$192,200. The life expectancy of this repair would be 18 months maximum.

Option Three - Same as Option Two except mill and compact entire roadway base (\$225,000) at an estimated total of \$308,000. The life expectancy of this repair would be 2 years maximum.

Option Four - Bid and contract for the removal of existing overlay, install 8" cement stabilized base, seal coat, 2" Type B hot-mix overlay (large aggregate) and 2" Type D hot-mix overlay (small aggregate) at an estimated cost of \$600,000, including engineering. The life expectancy of this repair would be 10 to 15 years.

Option Five - Design ultimate 6-lane build-out, bid and contract for the construction of 4-lane divided concrete roadway with sidewalks, water and sewer lines and buried drainage at an estimated cost of \$5,750,000 plus engineering design and support. The life expectancy of this repair would be 25-30 years.

Funding Options

Bank Loan -

The City would convert a portion of its reserve into a Certificate of Deposit (CD) and borrow against the CD for the loan term, probably 5 to 7 years. The rate on the loan would be 1 – 2 % above the interest rate on the CD. The CD would be unavailable for expenditure for any other purpose. Repayment of a loan is not budgeted for FY11 but subsequent years would be reflected in the debt side of the tax rate (I&S). This loan would not affect the City's bond rating or future capacity to get CO's unless the City defaults on the loan.

Tax Notes -

The City would pledge taxes and revenues as collateral for this indebtedness. The tax notes would be repaid from any lawfully available funds and could be available to expenditure in approximately sixty (60) days. The maximum term of a tax note would be seven (7) years.

Certificates of Obligation -

The City would pledge taxes and/or revenues as collateral for this indebtedness. The CO would be paid from any lawfully available funds and could be available in approximately ninety (90) days. This type of indebtedness is typically twenty (20) years. However, this indebtedness is subject to protest by a petition of five percent (5%) of the registered voters.

General Obligation Bonds -

General Obligation Bonds can only be issued after a successful bond election. The pledge from the City for issuance of this debt is taxes only and it can be paid from any lawfully available funds. Funds would be available approximately seventy-five (75) days after an election. The City would need to be prepared to address capital needs in the event the election fails.

The City will realize a financial impact on the budget with any of the construction options and funding options. However, all the funding options can be included in the interest and sinking (I&S) portion of the tax rate beginning FY12.

Staff requests the City Council provide direction for how to proceed with the Hampton Road rehabilitation or reconstruction.

Councilman Burton moved that further consideration on the rehabilitation or reconstruction of south Hampton Road be postponed until after the adoption of the new Comprehensive Plan. Councilman Freeman made the second. The motion carried with the following vote:

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

8. Report on a program to educate Glenn Heights' customers about the changes and benefits of the new contract with Waste Management.

City Council accepted the contract amendment with Waste Management for solid waste, brush pick-up and recycling pick-up on August 9, 2010. As a result the City Council instructed Staff to develop and present a program to educate Glenn Heights' customers on the changes and benefits that will begin November 2, 2010.

Staff has worked with Waste Management to develop a program to educate customers about the changes and benefits of the new contract. Staff and Waste Management have come up with several ways to inform the customers. The first report to Council included the insert for the September water bill that includes information about all the changes – recycling, brush pick-up and recycling.

Secondly, Waste Management is producing a magnet with the City, Keep Glenn Heights Beautiful and Waste Management recycling logos. The magnets will have telephone numbers to report problems to Waste Management, Police, Fire, City Hall, Animal Control, Public Works and Code Enforcement. The day for garbage pick-up as well as recycle day will be included on the magnets. The magnets will be color coded for the pick-up day. Extra magnets will be available so when new water service is started the customer can be given a magnet for their pick-up day.

Third, Waste Management will have a booth at Family Fest with handouts and information on recycling, garbage and brush pick-up and to answer questions. Additionally they will be providing event boxes for trash and recycling for that event so Glenn Heights can show that the City is beginning a recycling program.

Next, the October newsletter will have information on solid waste, brush and recycling pick-up.

Finally, the information will be added to the City website and eventually have an interactive map which residents can see when their pick-up is scheduled.

Beginning November 2, 2010 the process is:

1. Waste Management will pick-up four (4) cubic yards from each residence weekly;
2. Anything over four (4) cubic yards will be photographed and a form with the estimated amount will be left for the resident/occupant and one will be dropped off at City Hall;
3. The form can then be taken to City Hall and paid at the resident's convenience;
4. Waste Management will then be notified who has paid; and
5. The extra bulky/ brush pick-up will then be completed on Fridays.

Waste Management will send copies of the completed form with pictures attached by email to Code Enforcement and Public Works. The back of the form, which is left for the customer, will have the information on the rates and on what the Code Enforcement ordinance consequences could be in case of violation. Staff recommends a ninety (90)

day grace period beginning November 2. This grace period will be utilized to educate the public about brush/bulky waste violations. Staff is in hopes of eliminating any confusion about the new procedures.

Additionally, Waste Management will provide a toll free number to report problems with garbage, recycling, and bulky/brush pick-up. Waste Management will use the information to track and resolve problems and will send a monthly report to Public Works so the City can also track the success of this program.

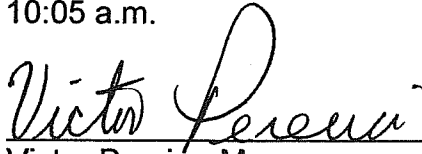
Council directed staff to add some wording on the flyer about the City no longer picking up brush and to include the amount of the increase to the current rate; along with the new rate.

9. ADJOURNMENT

Councilwoman Chancellor moved to adjourn. Mayor Pro Tem Harvey made the second. The motion carried with the following vote:

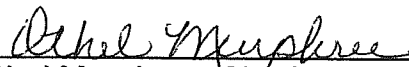
VOTE: 7 **Ayes** – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

Mayor Pereira adjourned the meeting at 10:05 a.m.



Victor Pereira, Mayor

Attest:



Othel Murphree, City Secretary

Passed and Approved 4th day of October, 2010.