

CITY COUNCIL MINUTES
REGULAR CITY COUNCIL MEETING
JULY 11, 2017 AT 6:00 PM

1. CALL TO ORDER

Mayor Bradley called the meeting to order at 6:00 pm.

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Fire Chaplain Brad Dorethy gave the invocation and Mayor Bradley led the Pledge of Allegiance.

3. ROLL CALL & CERTIFICATION OF A QUORUM

City Secretary, Susie Quinn, certified a quorum with the following Councilmembers present:

Mayor Scott Bradley
Mayor Pro Tem Jennifer Berthiaume
Councilmember Chris George
Councilmember Betty Nichols Spraggins
Deputy Mayor Pro Tem Sarah Fincanon
Councilmember Don Reilly

Absent: Councilmember Owais Siddiqui

4. PUBLIC COMMENTS

Christine Johnson, resident stated concerns on road safety that pertain to traffic study for Maxwell Drive, Kinney Drive, Ridgeview Drive and implementing a no parking on Ridgeview Drive up to North Murphy Road.

Council requested to Staff to provide to Council the recent traffic study and Staff to follow up with Chief of Police.

Debra Austin, Chairman with the Murphy Chamber of Commerce provided an update on events:

- 2nd Annual Tri-Chamber (Murphy, Wylie and Sachse) event held on June 27, 2017 at Boomerjack's collecting toiletry items for the Wylie Christian Care Center
- Murphy Chamber of Commerce Luncheon will be held on July 18, 2017 with guest speaker, Jerry Kezhaya discussing "Phone Etiquette" topic. Luncheon catered by Foxiis Restaurant & Grill and luncheon sponsored by Zartman Studio Production. Please join us at the luncheon.
- Chamber is focusing on new members, onboarding process of new members and working on a new brochure

5. PRESENTATIONS

6. CITY MANAGER/STAFF REPORTS

A. Introduction of the Fire Department Chaplain

Fire Chief Del Albright introduced Brad Dorethy. Brad Dorethy stated the following: "I grew up in the fire station, where both my grandfather and father retired from the Dallas Fire Department. I graduated college with a Bachelor of Business and minor in Bible, I decided to focus on business as

a career. After several years in business, I felt a special call to join the ministry full time. I have served as a youth and young adult pastor, an associate pastor and a senior pastor. Affiliated with New Hope Chuck in Wylie, Texas. In 2014, I rejoined the business world in a full time capacity as the Chief Operating Officer of an IT consulting firm, in my role allows me the freedom and flexibility to serve in this unique capacity for the City of Murphy. I have a deep appreciation for the fire service, and understand the value provided to our communities. I am passionate about encouraging a safe and healthy service team, and honored to serve.”

- B. South Maxwell Creek Sewer Line – Public Services Director Tim Rogers stated that the last couple of weeks the focus has been on testing (manholes and main lines). A couple of failures have occurred so the crew rectified the manholes so the manholes do not leak. The crew has cleaned up around RacTrac and installed irrigation in preparation for sod. Due to recent rain, the crew has not been able to work in the flood plain areas but work continues from RacTrac to McCreary Road. The dates for completion are September 22 for substantial completion and October 31 for final completion.

C. Upcoming Events

Low Cost Vaccine Clinic – Saturday, July 22, 2017 from 10:00 AM till NOON at the Animal Shelter – 203 N. Murphy Road – Murphy, Texas 75094 (Directly behind the Murphy Community Center)

School Zone Alert – Monday, August 21, 2017 first day of School for students attending Wylie ISD and Plano ISD

Maize Days – Saturday, September 30, 2017 from 10:00 AM till 8:30 PM at Central Park – 550 N. Murphy Road – Murphy, Texas 75094 (Parking at the Kimbrough Stadium)

7. CONSENT AGENDA

All consent agenda items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and voted on separately.

- A. Consider and/or act to approve the May 22, 2017 Budget Work Session meeting minutes. *Susie Quinn, City Secretary*
- B. Consider and/or act to approve the June 6, 2017 Regular Council meeting minutes. *Susie Quinn, City Secretary*
- C. Consider and/or act upon approval of Resolution No. 17-R-850 authorizing signature authority to sign and endorse checks and drafts of the City of Murphy bank accounts. *Karen Montgomery, Finance Director*

COUNCIL ACTION (7.A, 7.B., and 7.C.)

APPROVED

Mayor Pro Tem Berthiaume moved to approve the consent agenda items as presented. Deputy Mayor Pro Tem Fincanon seconded the motion. For: Unanimous. The motion carried by a vote of 6-0. (Councilmember Siddiqui was absent).

8. INDIVIDUAL CONSIDERATION

- A. Hold a public hearing and consider and/or act on Ordinance Number 17-07-1050 approving the application of First Crescent Enterprises LLC for a Planned Development located on 3.22 acres having the legal description of Abstract A0588, C.A. McMillan Survey, Tract 15 & 16. This property is located at the southeast corner of Betsy Lane and North Murphy Road. *Jared Mayfield, Community & Economic Development Director*

Community & Economic Development Director Jared Mayfield stated this application is for a proposed Planned Development (PD) for two tracts of land located on the southeast corner of Betsy Lane and North Murphy Road. Existing single-family residential homes are located on each of the properties. The two tracts of land were separately rezoned from SF-20 to Neighborhood Services (NS) in June 2016 (1000 N. Murphy Road) and November 2016 (1010 N. Murphy Road). The applicants are now requesting to rezone to Neighborhood Services with a Planned Development (PD) Overlay District. The proposed Concept Plan for the PD shows a three lot development with two phases. The first phase of development includes two commercial buildings with shared access and parking on the two lots fronting North Murphy Road. This application was previously considered by the Planning & Zoning (P & Z) Commission on May 22, 2017. City Council subsequently considered the item on June 6, 2017 and decided to send the applicant back to the P & Z Commission to make refinements to the Concept Plan and reduce the number of exceptions in the PD. The applicant has revised the Concept Plan to follow the zoning ordinance in regards to building heights and the required landscape buffer along a residential zoning district. The Concept Plan now shows three lots instead of four with the corner lot width increased from 100 feet to 114 feet, which is much closer to the required 120 feet lot width requirement. Permitted land uses remain the same as previously recommended by the P & Z Commission. The remaining concessions requested by the applicant are generally in line with other approved Planned Developments that have been developed and are necessary to allow the property to be developed as three separate lots. Proper notifications were completed. Five public reply forms were received. All were in favor. On June 26, 2017 the Planning & Zoning Commission recommended approval of this item by a vote of 4 to 1.

Syed Hussain, Applicant explained the changes requested. The five (5) items modified include: keep landscape buffer 15 feet; side yard setback at 65 feet; height to remain at two stories or 35 feet; corner lot width 114 feet; Stucco at 20%. The Concept Plan will be platted as a single lot or two lots.

PUBLIC HEARING OPENED at 6:40pm

Mary Pat Elledge, resident – In favor

Christine Johnson, resident – Opposed

Jacqueline Permenter, resident – In favor

PUBLIC HEARING CLOSED at 6:50pm

More discussion following the motion regarding the moratorium denial and its consequences were found in the Code of Ordinances which states in Sec.30.02.157 (b) City council action on zoning, rezoning or text amendment requests. After a public hearing is held before the city council regarding the zoning application, the city council may approve the request in whole or in part, deny the request in whole or in part, defer the application to a future meeting, specifically citing the city council meeting to which it is deferred, or it may refer the application back to the planning and zoning commission for further study.

- (1) If the city council approves the request, then subsection (f) of this section will apply.
- (2) If the city council denies the request, then no other zoning application may be filed for all or part of the subject tract of land, or for that portion of this chapter, in the case of a text amendment request submitted by a property owner or citizen, for a period of one year following the denial. Where the request was initiated by the city and involved a proposed amendment to the text of this chapter, a waiting period is not required before the request can be reconsidered. The city council may, at its option, waive the one-year waiting period.

COUNCIL ACTION (8.A.):

DENIED

Councilmember Reilly moved to deny the application of First Crescent Enterprises LLC for a Planned Development located on 3.22 acres having the legal description of Abstract A0588, C.A. McMillan Survey, Tract 15 & 16. This property is located on the southeast corner of Betsy Lane and North Murphy Road. Deputy Mayor Pro Tem Fincanon seconded the motion. For: Unanimous. The motion carried by a vote of 6-0. (Councilmember Siddiqui was absent).

- B. Consider and/or act on proposed Resolution Number 17-R-851 authorizing the City Manager to execute a contract renewal effective September 1, 2017 with Brinson Benefits for benefits advisory services, FSA/HRA/COBRA administration and telemedicine services; Blue Cross Blue Shield Texas (BCBSTX) for group medical insurance; Ameritas for group dental insurance; VSP for group vision insurance; Cigna for long-term disability insurance; Alliance Work Partners for the Employee Assistance Program; and Dearborn National for basic life and AD&D insurance. *Jana Traxler, Human Resource Director*

NOTE: Mayor Bradley signed a Conflict of Interest before the meeting was called to order. It is filed with the City Secretary. He left the room during all discussion and the vote.

Human Resource Director Jana Traxler provided a summary on the following:

Medical – Brinson used the competitive renewal offers for negotiation purposes with Blue Cross Blue Shield Texas (BCBSTX) and was able to achieve an agreement for a flat renewal with no changes in plan design.

Telemedicine – The cost is \$4 per employee per month which is approximately \$6,000 annually.

Dental – The City went to bid and Brinson was able to negotiate down to a renewal savings of 1% (\$853) annually.

Long Term Disability (LTD) – LTD insurance is with Cigna and is currently in year two of a two year rate guarantee. A formula was executed incorrectly when calculating the amount the City should pay for this coverage. This miscalculation has been ongoing for several years. Council requested staff to keep them posted as to the positive financial impact this may have to the City.

Life Insurance – Basic life and AD&D is with Dearborn and is currently in year two of a two year rate guarantee.

The city will continue to pay for employee coverage in full and 60% of the employee's dependent coverage premium amount.

FY17 Renewal Financial Impact

- Medical (BCBSTX): \$0
- Vision (VSP): \$0
- Dental (Ameritas): \$-853
- Life Insurance (Dearborn): \$0
- Long Term Disability (Cigna): \$-9,196
- Brinson Benefits: \$1,174
- Telemedicine: \$6,000
 - Total Change over FY17: \$-2,874 Part of the reason for the savings is due to the formula execution discussed above.

COUNCIL ACTION (8.B.)

APPROVED

Councilmember Reilly moved to approve Resolution Number 17-R-851 authorizing the City Manager to execute a contract renewal effective September 1, 2017 with Brinson Benefits for benefits advisory services, FSA/HRA/COBRA administration and telemedicine services; Blue Cross Blue Shield Texas (BCBSTX) for group medical insurance; Ameritas for group dental insurance; VSP for group vision insurance; Cigna for long-term disability insurance; Alliance Work Partners for the Employee Assistance Program; and Dearborn National for basic life and AD&D insurance. Councilmember George seconded the motion. For: Unanimous. The motion carried by a vote of 5-0. (Mayor Bradley recused himself and Councilmember Siddiqui was absent).

- C. Consider and/or act to advertise for applicants to fill vacant Board and Commission places or appoint an interview committee to work with applications currently on file. *Susie Quinn, City Secretary*

City Secretary Susie Quinn explained that when vacancies occur on Boards and Commission, Council by Charter has the responsibility to name replacements. Currently there are three new applications and eleven prior applications on file. Five vacancies currently exist. One regular member to Planning and Zoning Commission (P & Z) along with one alternate member. One regular member to Murphy Community Development Corporation (MCDC). Two alternate members for Board of Adjustments (BOA).

The P & Z alternate can be moved up at this meeting and then the other applications on file can be reviewed in Executive Session at the next regularly scheduled meeting and appointments made at that meeting.

COUNCIL ACTION (8.C.):

APPROVED

Councilmember Reilly moved to approve the moving of Planning & Zoning Alternate James (Jimmy) Holley to the full member status for the remainder of the term for the position he is completing. Deputy Mayor Pro Tem Fincanon seconded the motion. For: Unanimous. The motion carried by a vote of 6-0. (Councilmember Siddiqui was absent).

9. EXECUTIVE SESSION

In accordance with Texas Government Code, Chapter 551, Subchapter D, the City Council recessed into Executive Session (closed meeting) at 7:15 pm to discuss the following:

- A. § 551.071. Consultation with City Attorney to seek the advice of the City Attorney regarding a settlement offer re: South Maxwell Creek Project Claims
- B. § 551.074. Deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee:
 - a. City of Murphy Planning and Zoning Commissioners;
 - b. Board of Adjustment Board Members;
 - c. Murphy Community Development Members.

10. RECONVENE INTO REGULAR SESSION

The City Council reconvened into Regular Session at 7:32 pm, pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, to take any action necessary regarding:

- A. § 551.071. Consultation with City Attorney to seek the advice of the City Attorney regarding a settlement offer re: South Maxwell Creek Project Claims

COUNCIL ACTION (10.A.):

APPROVED

Mayor Pro Tem Berthiaume moved to authorize the Mayor to execute the settlement offer regarding South Maxwell Creek Project Claims subject to final approval by the City Attorney. Deputy Mayor Pro Tem Fincanon seconded the motion. For: Unanimous. The motion carried by a vote of 6-0. (Councilmember Siddiqui was absent).

- B. § 551.074. Deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee:
 - a. City of Murphy Planning and Zoning Commissioners;
 - b. Board of Adjustment Board Members;
 - c. Murphy Community Development Members.

No action was required on this item at this meeting.

11. BUDGET WORK SESSION DISCUSSION ITEMS

- A. Review, discussion and direction of proposed FY18 water and sewer rates. *Karen Montgomery, Finance Director*

Finance Director Karen Montgomery on behalf of NewGen Strategies presented an update explaining that if the rates are not changed, then the shortfall for FY18 is \$-636,394 which increases annually. If nothing is done on rates in five years, the shortfall would be at \$-15,490,393. A recommendation is to establish a 20% utility reserves.

Two scenarios presented:

Scenario A: Levelized rates for FY18 to FY20 and Levelized rates for FY21 and FY22

- Maintain reserve – 20% of total expenditures
- Use of Fund Balance
 - FY19 (\$462,970)
 - FY22 (\$ 90,644)
- Rate Increase %s

Rate increases	FY18	FY19	FY20	FY21	FY22
Water	12.13%	12.13%	12.13%	4.14%	4.14%
Wastewater	10.40%	10.40%	10.40%	5.98%	5.98%

Scenario B: Levelized rates for FY18 to FY19 and Levelized rates for FY21 and FY22

- Maintain reserve – 20% of total expenditures
- Use of Fund Balance
 - FY19 (\$571,333)
 - FY22 (\$138,346)
- Rate Increase %s

Rate increases	FY18	FY19	FY20	FY21	FY22
Water	11.54%	11.54%	14.61%	3.65%	3.65%
Wastewater	9.99%	9.99%	12.63%	4.59%	4.59%

After FY18, on into FY19 there is no fund balance to get through FY19. Revenues are estimates only and are based on current consumption and normalized weather for three years, if consumption declines due to a wet year, then the rate increases would likely be understated, rates would need to be higher. Expenditures are estimates with costs as a pass through from NTMWD. NTMWD estimated projections may change based on unforeseen costs and Murphy rates would need to be adjusted accordingly. Muddy Creek Waste Water Treatment plant expansion scheduled around FY22 will cost \$30 million plus \$10 million to the City of Murphy, those costs are not built into the projections at this point. Advice to Council is to revisit rates annually. Staff to check on the timeline for implementing the revised utility billing statement rate breakdown.

Council directed Staff towards Scenario A for the Proposed FY18 water and sewer rates.

- B. Review, discussion and direction of FY18 property tax rate. *Karen Montgomery, Finance Director*

Finance Director Karen Montgomery presented changes that included an increase in estimated Property Tax revenue based on certified values. A 1.4% growth was realized when comparing the growth between preliminary values and certified values for the past four years. This increase amount to \$264,000. Capital Outlay was identified for the IT department and has \$350,000 to use in General Fund balance. The Police Donation balance has been received and was not used, so those funds lapse into the fund balance as well. Costs of all the supplementals

and a projected savings from employee turnover was calculated at 3.5% which also offsets expenditures. Revenues less expenditures are projected in FY18 to be \$104,374. To reduce the tax rate by one-half cent costs \$117,624. Fund balance of \$13,250 would be needed to pay this difference. The reserves are beyond the 15% guideline and are more realistically at 25% with a balance of around four million dollars. Council was asked for direction regarding the tax rate and the approved supplementals from the last meeting. Council discussed using more reserves to reduce the tax rate to .50 per \$100 of evaluation to help offset the water rate increases. Council agreed that the supplementals look fine. Council directed staff to use reserves to buy down the additional half cent.

- C. Discussion of remaining FY18 Budget process and timeline. *Karen Montgomery, Finance Director*

Finance Director Karen Montgomery presented a proposed revised planning calendar to Council changing the first Public Hearing to Tuesday, September 5, 2017 with the second Public Hearing to be held at a Special Meeting on September 12, 2017 and the adoption of the 2018 Budget and Tax Rate to occur at the September 19, 2017 meeting.

Staff was thanked for making the budget process much easier to understand.

12. ADJOURNMENT

With no further business, a motion was entertained by the Mayor Bradley and the Council meeting adjourned at 8:07 pm.

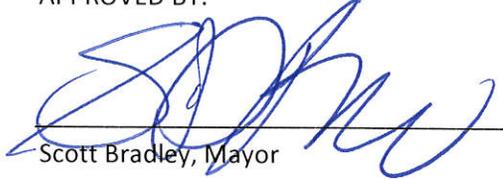
ATTEST:



Susie Quinn, City Secretary



APPROVED BY:



Scott Bradley, Mayor