

REGULAR CITY COUNCIL MEETING

SEPTEMBER 2, 2014

7:00 PM

A Regular City Council Meeting and Workshop of the Terrell City Council was held on Tuesday, September 2, 2014, at 7:00 p.m. in the City Council Chambers located at 201 East Nash Street, Terrell, Texas with the following members present:

COUNCILMEMBER #1	HAL RICHARDS
COUNCILMEMBER#2	TOMMY SPENCER
COUNCILMEMBER #3	SANDRA WILSON
COUNCILMEMBER #4	CHARLES WHITAKER
COUNCILMEMBER #5	D.J. ORY

1. Call to order.

Mayor Hal Richards, called the meeting to order.

2. Invocation.

Deputy Mayor Pro Tem Charles Whitaker, gave the invocation.

3. Discuss and Consider Approval of Meeting Minutes of Special City Council Meeting and Workshop of August 19, 2014, and Regular City Council Meeting of August 19, 2014.

Mayor Pro Tem D.J. Ory made a motion to approve with corrections the Meeting Minutes of Special City Council Meeting and Workshop of August 19, 2014, and Regular City Council Meeting of August 19, 2014 Councilmember Sandra Wilson seconded the motion. Ayes - All. Nays - None. Motion carried.

COUNCILMEMBER #1	HAL RICHARDS
COUNCILMEMBER #2	TOMMY SPENCER
COUNCILMEMBER #3	SANDRA WILSON
COUNCILMEMBER #4	CHARLES WHITAKER
COUNCILMEMBER #5	D.J. ORY

4. Hear Remarks from Visitors.

There were no remarks from visitors

PUBLIC HEARINGS

5. a.) Conduct a Public Hearing to Receive Comment Regarding Tax Rate Increase for Fiscal Year 2014-2015.

John Rounsavall, City Secretary, gave opening comments regarding Tax Rate Increase for Fiscal Year 2014-2015 and stated for the record as follows:

Mayor and Council,

Truth in taxation is a concept embodied in the Texas Constitution. The tax code requires local taxing units to make taxpayers aware of tax rate proposals and to afford tax payers the opportunity to roll back or limit tax increases. When the tax rate proposed by a governing body exceeds the effective rate or the rollback rate, whichever is lower, they must publish a public hearing notice. This is the first of two public hearing on the proposed tax rate the next public hearing is scheduled for Tuesday September 16th.

For our current fiscal year 2013 - 2014, the tax rate is 0.649300 cents per \$100.00 one hundred dollar valuation. For fiscal year 2014-2015, staff is proposing a rate of 0.679300. This amount is 0.030000 cents higher than the current fiscal year. The 0.030000 cents will be used to pay debt service for the Certificate of Obligation Series 2014 for the new Police Facility. This amount is greater than the 2014 calculated effective rate of 0.663528, by 0.015772 cents, and less than the calculated roll back rate of 0.758663 by 0.079363 cents

In the current fiscal year, the average taxable value of a homestead residence in Terrell is \$77,586.00, that amount in fiscal year 2015 is \$78,075.00 this is an increase of \$489.00 or a 0.63% increase in average taxable value of a homestead residence. Based on the current tax rate 0.649300 the average amount generated per average taxable value of a homestead residence would be \$506.94. (78075×0.6493) Next year based on the proposed tax rate of 0.6793, the average amount generated per home will be \$530.36. (78075×0.6793) This is an increase of \$23.42 or an increase of 4.62% This increase represents 1.95 a month over a 12 month period for the average taxable value of a homestead.

Staff recommends council support that the tax rate for fiscal year 2015 that includes an increased rate to the debt service of 0.03 cents.

Mayor Hal Richards opened a Public Hearing to Receive Comment Regarding Tax Rate Increase for Fiscal Year 2014-2015. No one spoke for and no one spoke in opposition of the Tax Rate Increase for Fiscal Year 2014-2015. Mayor Hal Richards, closed the Public Hearing.

b.) Discuss and Consider Approval of Ordinance No. 2609; An Ordinance Of The City Of Terrell, Texas, Fixing The Tax Rate Of All Taxable Property Within The City Of Terrell, Texas, For The Year 2014 And Leyving And Ordering Collection For The Year 2014 And Providing A Lien On All Real And Personal Property To Secure The Payment Of Taxes Assessed; Containing A Severability Clause; Repealing All Ordinances And Parts Thereof In Conflict Herewith And Providing An Effective Date.

D.J. Ory made a motion to approve on first reading Ordinance No. 2609; An Ordinance Of The City Of Terrell, Texas, Fixing The Tax Rate Of All Taxable Property Within The City Of Terrell, Texas, For The Year 2014 And Leyving And Ordering Collection For The Year 2014 And Providing A Lien On All Real And Personal Property To Secure The Payment Of Taxes Assessed; Containing A Severability Clause; Repealing All Ordinances And Parts Thereof In Conflict Herewith And Providing An Effective Date. Deputy Mayor Pro Tem Charles Whitaker seconded the motion Ayes - All Nayses - None

ORDINANCE NO. 2609

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, FIXING THE TAX RATE OF ALL TAXABLE PROPERTY WITHIN THE CITY OF TERRELL, TEXAS, FOR THE FISCAL YEAR 2014-2015 AND LEVYING AND ORDERING COLLECTION FOR THE YEAR 2014 AND PROVIDING A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE THE PAYMENT OF TAXES ASSESSED; CONTAINING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND PARTS THEREOF IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

CONSENT AGENDA

Mayor Pro Tem DJ Ory made a motion to adopt on Second Reading Ordinance No. 2607 and Ordinance No. 2608 on Second reading, Councilmember Sandra Wilson, seconded the motion. Ayes - All. Nays - None. Motion carried

6. Discuss and Consider Adoption On Second Reading Ordinance No. 2607 - Setting Water Rate Increase for Fiscal Year 2014-2015.

ORDINANCE NO. 2607

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING APPENDIX 1, FEE SCHEDULE, SECTION 27: WATER SERVICE RATES AND CHARGES, PARAGRAPHS (1) THROUGH (4) AND SECTION 28: SEWER SERVICE RATES AND CHARGES, PARAGRAPH (1) OF THE REVISED CODE OF ORDINANCES OF THE CITY OF TERRELL, TEXAS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

THAT Appendix I, Fee Schedule, SECTION 27, WATER SERVICE RATES AND CHARGES, PARAGRAPHS (1) THROUGH (4) AND SECTION 28, SEWER SERVICE RATES AND CHARGES, PARAGRAPH (1) of the Revised Code of Ordinances of the City of Terrell, Texas, shall hereby be amended to read as follows:

SECTION I.

SECTION 27: WATER SERVICE RATES AND CHARGES

The following schedule of monthly rates or charges for water services furnished by the City shall be and such is hereby adopted and established as follows:

- (1) There is hereby established a minimum monthly water use charge based upon the water meter installed as follows:

MINIMUM MONTHLY RATES	
Meter Size (in.)	Minimum Charge
5/8	\$ 15.09
1	36.89
1 1/2	73.24
2	116.84
3	233.11
4	400.27
6	818.87
8	1,236.06
10	1,890.13
12	3,126.00

- (2) Subject to the minimum monthly charges as provided in subsection (1) above, the following rates per month shall be charged for water furnished:

CHARGE (per 1,000 gallons) for Residential Customers:

VOLUMETRIC RATES					
Rate Blocks (gal.)	0 - 2,000	2,001 - 10,000	10,001 - 25,000	25,001 - 50,000	> 50,000
Volume Charge (per 1,000 gal.)	\$ 3.66	\$ 5.01	\$ 5.44	\$ 5.96	\$ 6.25

CHARGE (per 1,000 gallons) for All Other Customers:

VOLUMETRIC RATES				
Rate Blocks (gal.)	0 - 2,000	2,001 - 10,000	10,001 - 25,000	> 25,000
Volume Charge (per 1,000 gal.)	\$ 3.66	\$ 5.01	\$ 5.44	\$ 5.96

- (3) The monthly charge for private fire protection service shall be as follows:

FIRE LINE CHARGE	
Line Size (in.)	Monthly Charge
4	\$ 20.00
6	20.00
8	20.00
10	20.00
12	20.00

Water used through a fire protection service for purposes other than testing of system shall be at a rate equal to the largest volumetric rate applicable in subsection (2).

The following schedule of rates or charges for water services furnished by the City shall be and such is hereby adopted and established as follows:

- (4) Wholesale water customer rates. Rates shall be determined by the methodology as stated in the wholesale water customer's contract. Wholesale

water customers without a methodology in the wholesale water customer's contract will be charged \$4.84 per 1,000 gallons of water.

SECTION 28: SEWER SERVICE RATES AND CHARGES

The following schedule of monthly rates or charges for sewer services furnished by the City shall be and such is hereby adopted and established as follows:

- (1) Residential Rates. All residential units shall be charged on the following basis:

Minimum bill	\$23.80 per month
Volume Charge for all Consumption per month*	\$3.75 per 1,000 gallons

*Volume charges are based on winter-average (Dec., Jan., Feb.) water consumption.

- (2) Lt. Commercial Rates. All commercial customers shall be charged on the following basis:

Minimum bill	\$51.16 per month
Volume charge	\$3.75 per 1,000 gallons

Those businesses not being metered on an individual unit basis, shall be charged a minimum monthly bill per business.

- (3) Heavy Commercial/Industrial. All heavy commercial and industrial customers shall be charged on the following basis:

Minimum bill	\$172.68 per month
Volume charge	\$3.75 per 1,000 gallons

- (4) Pretreatment. All customers that require pretreatment of wastewater shall be charged on the following basis:

Minimum bill	\$681.36 per month
Volume charge	\$3.75 per 1,000 gallons

- (5) Customer Review. Where the city manager determines that wastewater charges should be based directly on the customer's contribution to the wastewater system, volume charges for the discharge shall be made as follows:

Volume charge for normal domestic wastewater per month	\$3.75 per 1,000 gallons of wastewater
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The customer shall pay for any required sampling in advance. The charge for sampling shall be as estimated by the pretreatment coordinator based upon the city's actual cost for similar services.

SECTION II

All rates charged pursuant to this Ordinance shall be subject to an additional 4% Municipal Assessment.

SECTION III.

All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION IV.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of the Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION V.

This ordinance will take effect immediately from and after its passage and the publication of the caption as the law in such cases provides.

PASSED AND APPROVED THIS THE 19th day of AUGUST, 2014.

PASSED AND ADOPTED THIS THE 2nd day of SEPTEMBER, 2014.

7. Discuss and Consider Adoption On Second Reading Ordinance No. 2608 - Fiscal Year 2014-2015 Budget.

ORDINANCE NO. 2608

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL FUND AND OTHER FUNDS REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING A REPEALING

CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as required by Article V. of the City Charter, the City Manager has prepared and submitted to the City Council a proposed budget of revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for the fiscal year beginning October 1, 2014 and ending September 30, 2015; and

WHEREAS, the City Council has received the City Manager’s proposed budget, a copy of which and all supporting schedules have been filed with the City Secretary of the City of Terrell, Texas; and

WHEREAS, the City Council has conducted the necessary public hearings as required by law;

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

SECTION 1. That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Terrell, Texas, is as follows:

	REVENUES	EXPENDITURES
General Fund	\$17,359,724	\$17,339,074
Utility Fund	\$13,302,843	\$12,928,928
Equipment Replacement Fund	\$ 991,365	\$ 1,139,360
Airport Fund	\$ 406,235	\$ 894,711
Tourism Fund	\$ 252,250	\$
Capital Improvement Fund	\$ 2,400	\$ 177,000
Utility Capital Reserve Fund	\$ 1,246,130	\$ 1,244,630
Impact Fees Fund	\$ 82,500	\$ 932,665
Storm Water Management Fund	\$ 160,200	\$ 243,909
Interest & Sinking No. 1 Debt Service Fund	\$ 3,137,557	\$ 3,212,557
Tax Increment Finance District No. 1 Fund	\$ 6,764,000	\$ 7,701,000

and provides a complete financial plan for the fiscal year beginning October 1, 2014 and ending September 30, 2015 as submitted to the City Council by the City Manager, attached hereto as Exhibit “A”, and the same is hereby adopted and approved as the budget of the City of Terrell, Texas for the fiscal year beginning October 1, 2014 and ending September 30, 2015.

SECTION 2. That the sum of \$45,813,834 is hereby appropriated for the payment of the expenditures established in the approved budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015.

SECTION 3. That the expenditures during the fiscal year beginning October 1, 2014 and ending September 30, 2015 shall be made in accordance with the budget approved by this Ordinance unless otherwise authorized by a duly enacted Ordinance of the City of Terrell, Texas.

SECTION 4. That all budget amendments and transfers of budgeted appropriations from one account to another account within any classification for the fiscal year 2013-2014 are hereby ratified and the budget Ordinance for fiscal year 2013-2014 heretofore enacted by the City Council be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 5. That specific authority is given to the City Manager to make the following adjustments:

1. Transfer of appropriations budgeted from one account classification to another account classification within the same department.
2. Transfer of appropriations from designated appropriation from one department or activity to another department or activity within the same fund.

SECTION 6. That all provisions of the Ordinances of the City of Terrell, Texas in conflict with the provisions of this Ordinance be and the same are hereby repealed and all other provisions of the Ordinances of the City of Terrell, Texas not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 7. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional.

SECTION 8. This Ordinance shall take effect from and after its passage as the law and charter in such cases provide.

Passed and approved this the 19th day of August, 2014.

Passed and adopted this the 2nd day of September, 2014.

END CONSENT AGENDA

8. Adjourn into Executive Session in Accordance with Section 551 of the Texas Government Code to Discuss the following:
 - a.) Section 551.071 - Consultations with Attorney - pending or contemplated litigation.
 - b.) Section 551.072 - Deliberations about Real Property.
 - c.) Section 551.074 - Personnel Matters - City Manager.
 - d.) Section 551.087 - Deliberation Regarding Economic Development Negotiations.

Council passed this item.

9. Reconvene into Regular Session and Consider Action, if any, on Items Discussed in Executive Session.

Council passed this item.

10. Adjourn.

There were no other matters discussed or acted on at this meeting. There being no further business the meeting was adjourned.

Hal Richards, Mayor

Attest:

John Rounsavall, City Secretary