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Mayor
Michelle Pittman
Di Credico

City Council

Mayor Pro-Tem,
Place 3
Elaine Priest

Place 1
Josh McCabe

Place 2
Kenny Crenshaw

Place 4
Sam Eason

Place 5
Leeanne
Mackowski

City
Administrator
Joe Ashton

City Attorney
Carvan Adkins

City Secretary
Shannon
Montgomery

Fire Chief
Darrell Fitch

Police Chief
Sam Love

Public Works
Director
Lance Petty

MINUTES OF PUBLIC MEETING OF THE RHOME CITY COUNCIL

Meeting Date: Tuesday, October 23, 2018

Location: Rhome Community Center, 261 North School Road

MEETING START TIME: 7:00 PM

Call to Order and Establish a Quorum

Mayor Pittman Di Credico called the meeting to order at 7:00 pm. and announced a quorum of Council Members present.

Council Members Present:

Mayor Michelle Pittman Di Credico

Council Member Kenny Crenshaw

Mayor Pro Tem Elaine Priest

Council Member Sam Eason

Council Member – Appointed Josh McCabe

Council Member Leeanne Mackowski

City Staff Present:

City Secretary Shannon Montgomery

Police Chief Sam Love

Invocation and Pledge of Allegiance to the American Flag

Council Member Crenshaw gave the invocation and led the Pledge of Allegiance to the American Flag.

Citizen Presentations and Public Input for Future Agenda Items

There were no Citizen Presentations made.

Announcements from Mayor and Council Members

Mayor Pittman Di Credico reminded all of the following events:

- Clean Up Day – Saturday, October 27
- Prairie Point Elementary Trunk or Treat – Thursday, October 25
- Fire Department Trunk or Treat – Wednesday, October 21
- City Offices will be closing so Staff can attend Sgt Robin Adair's Memorial Service on Monday, October 29. Police Chief Love thanked Wise County Sheriff's Office for covering the City will Staff is attending the Service.

Executive Session

Pursuant to the following designated section of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Council may convene into executive session to discuss the following:

- Section 551.071 Consultation with Attorney - pending or contemplated litigation, settlement offer or to seek advice from attorney - Morris Street Project***
- Section 551.072 Deliberation regarding Real Property - purchase, exchange, lease or value of real property if deliberation in an open meeting would have detrimental effect on position of the governmental body in negotiations with a third person***

C. Section 551.074 Personnel – discuss appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or hear complaint or charge against officer or employee in executive session unless officer or employee requests public hearing

Mayor Pittman Di Credico stated that Council did not need to convene into Executive Session at this time.

Reconvene into Regular Session

Discussion and any necessary action as a result of Executive Session

No action as Council did not convene into Executive Session.

Consent Agenda

D. Minutes of October 11, 2018 City Council Regular Session

Motion made by Council Member Crenshaw, seconded by Mayor Pro Tem Priest, to approve the Minutes of October 11, 2018 City Council Regular Session as presented. Motion carried unanimously.

Regular Agenda – Old Business

E. Discussion and any necessary action regarding Ordinance for quarterly budget amendments for Fiscal Year 2017-2018

Motion made by Council Member Eason, seconded by Council Member Mackowski, to approve Ordinance 2018-31 as presented. Motion carried unanimously.

**CITY OF RHOME
ORDINANCE NO. 2018-31**

AN ORDINANCE OF THE CITY OF RHOME, TEXAS, AMENDING THE CITY'S DULY ADOPTED FISCAL YEAR 2017-2018 BUDGET, AS AMENDED; REALLOCATING DESIGNATED FUNDS WITHIN VARIOUS DEPARTMENTS TO VARIOUS FUNDS WITHIN THOSE DEPARTMENTS; AND PROVIDING AN EFFECTIVE DATE

F. Discussion regarding update on current city bonds as well as proposed issuance of new certificates of obligation for potential sewer upgrades

Mayor Pittman Di Credico presented the Council and audience with the following Bond Update:

The City of Rhome currently has two outstanding bonds and recently published notice of intent to consider a third bond on 8/15/18 which is being considered by the voters in a bond election on 11/6/18.

2016 GO Refunding Bond

The City issued a 2016 GO Refunding Bond to basically refinance an existing bond at a lower interest rate which would result in less overall interest paid. The 2016 GO Refunding Bond will be repaid in 2025. This strategy helped to save money over the remaining life of the bond.

2017 Tax Note Series

The City issued a 2017 Tax Note Series for \$700,000 (\$40,000 in issuance costs and \$660,000 net proceeds) for 7 years to address several items. Here is a current breakdown of what has been spent to date as of 10/18/18 versus the budget breakdown. The funds are in a separate bank account and used only for the specified projects.

Project	Actual Spent through 10/18/18	Bond Budgeted	Budget Remaining	Project Status
Outdoor Warning Sirens	\$ 50,043	\$ 50,000	\$ (43)	Installed & Waiting for Part for Final Programming/Testing
Automatic Meter Readers	\$ 136,882	\$ 165,000	\$ 28,118	Meter Boxes Installed - Meters On Hand
Eastside WWTP Expansion - Permit Amendment Only	\$ -	\$ 20,000	\$ 20,000	Waiting on Approval of Proposed Bond
Eastside WWTP Expansion - Design Only	\$ 53,570	\$ 75,000	\$ 21,430	Land Use Map, Master Plan & Initial Conceptual Design Completed - Waiting on Approval of Proposed Bond to Begin Engineered Design Phase
Relocation of City Hall	\$ 54,820	\$ 54,820	\$ (0)	Completed 12/2017
Council/Court Upgrade	\$ 5,453	\$ 10,800	\$ 5,347	In Process - Floors/Ceiling Tiles Installed
Municipal Complex	\$ -	\$ 184,380	\$ 184,380	In Process
Old School Building	\$ 49,231	\$ 100,000	\$ 50,769	Roof Replacement Completed/Asbestos Removed - Waiting on Final Roof Replacement Invoice
	\$ 349,999	\$ 660,000	\$ 259,232	

The first payment was due in August 2018 for about \$109,000. The City was able to issue this bond due to paying off another previous bond which will cover the 2017 Tax Note payment for the 7 years repayment plan. This strategy allowed the City to maintain the existing tax rate of \$.05234 for fiscal year 2017-2018 and address the above items.

2018 Proposed Bond

The newest proposed bond to be considered is for funding for the Eastside Wastewater Treatment Plant Expansion Project. The bond election is 11/6/18.

The two major factors of why there is a need for the expansion are:

1. **Compliance** – the City exceeded state requirements for discharge at this plant
2. **Growth** – limited capacity at this plant need to be expanded to accommodate growth both residential and business

Kimley-Horn was the engineering firm selected to complete the Master Plan and Design for the Eastside Wastewater Treatment Plant and provided the Master Plan to the City in July 2018.

Page 5 of the Kimley-Horn report states, “Based on historic data and projected flows on land use, **the current permitted capacity of the Eastside WWTP is not sufficient.**”

Page 6 states, “Future flow projections...are typically based on a combination of historical trends and projected growth estimates.” Growth estimates are based on the US Census data and the Texas Water Development Board projections for population. The flow rates calculated for the current service area note that a new meter was installed in early 2018 which will require additional evaluation in early 2019 regarding flows. However, this new meter does not change the following facts. The report lists the Annual Average Flow and the state requirements regarding flow:

- **Planning required at 0.075 MDG average flow** – “Whenever flow measurements for any sewage treatment plant facility in the state reaches 75 percent of the permitted average daily or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the wastewater treatment and/or collection facilities.”
- **Begin construction at 0.090 MGD average flow** – “Whenever the average daily or annual average flow reaches 90 percent of the permitted average daily flow for three consecutive months, the permittee shall obtain necessary authorization from the commission to commence construction of the necessary additional treatment and/or collection facilities.”

Page 7 states, "Based on the official monthly discharge monitoring report (DMR) data, the 75 percent rule was exceeded five times in 2016, four times in 2017, and has not been exceeded in 2018 thus far. The exceedances occur on three consecutive months, so the WWTP must begin engineering and financial planning for expansion. The 90 percent rule was exceeded four times in 2016 and was not exceeded in 2017 or 2018 thus far. Because the historic average annual flows exceed the Texas Administrative Code criteria of 0.075 MGD, the permit requires the WWTP to begin design for expansion."

While it is noted that historically, daily flow has been significantly influenced by precipitation which is an indicator of systems that experience infiltration and inflow (I/I) into the system, the final recommendation of the professional engineering firm is to "immediately commence financial planning for the expansion of the Eastside WWTP." The proposed bond will cover the expansion recommended by Kimley-Horn based on state regulatory requirements.

The proposed bond will be paid for out of Water/Sewer revenue funds, not out of property tax revenue funds. A property tax decrease was approved for fiscal year 2018-2019.

G. Discussion and any necessary action regarding Place 1 Council seat vacancy including interviews of current applicants Josh McCabe, Patricia Mitchell, Timothy C. Sues, Jo Ann Wilson, as well as, interviews of any other eligible interested individuals present during meeting

Applicants were asked the previous posted questions or provided a prepared statement.

Council discussed the applicant responses.

Mayor Pro Tem Priest nominated Josh McCabe, Council Member Crenshaw seconded the nomination. Nomination carried unanimously.

Josh McCabe took is Statement of Officer and Oath of Office.

Council Member McCabe took his place at the dais.

Regular Agenda – New Business

H. Discussion and any necessary action regarding Contract for Election Services with Wise County for November 6, 2018 Bond Election

Motion made by Council Member Mackowski, seconded by Mayor Pro Tem Priest, to accept the Contract for Election Services with Wise County for the November 6, 2018 Bond Election as presented. Motion carried unanimously.

I. Discussion and any necessary action regarding Terms of Engagement with Norton Rose Fulbright US LLP for Bond Counsel Services relating to issuance of certificates of obligation or such other obligations to finance water system improvements

Motion made by Council Member Mackowski, seconded by Council Member Eason, to accept the Terms of Engagement with Norton Rose Fulbright US LLP for Bond Counsel Services relating to issuance of certificates or such other obligations to finance water system improvements as presented. Motion carried unanimously.

J. Discussion and any necessary action regarding feasibility of tours of Old School Building

Consensus of the Council was to have Mayor Pittman Di Credico talk with City Attorney Adkins regarding liability of tours and check with Staff for scheduling such tours.

K. Discussion and any necessary action regarding annual service recognition and awards including potential date of December 7th

Mayor Pittman Di Credico proposed holding the event within the City and invite Staff, Council, and Board members and asked Council to approve the date of December 7, 2018.

Motion made by Council Member Crenshaw, seconded by Council Member Mackowski, to move forward with planning and execution of the event. Motion carried unanimously.

Future Agenda Items

Council Member Mackowski requested a future agenda item in regards to considering fees for City services for those living outside City limits.

Mayor Pro Tem Priest asked for an update on the impact fee study.

Adjourn

Motion made by Council Member Mackowski, seconded by Council member McCabe, to adjourn. Meeting adjourned at 8:01 pm.

Minutes approved the 8th day of November 2018.


Michelle Pittman Di Credico,
Mayor


Shannon Montgomery, TRMC
City Secretary

