



City of Rowlett Meeting Minutes City Council

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City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6109 or write PO Box 99, Rowlett, Texas, 75030-0099, at least 48 hours in advance of the meeting.

Tuesday, October 7, 2008

5:30 PM

Waterview Community Center
7801 Kings Court

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. CALL TO ORDER

Mayor Harper called the meeting to order at 5:30 p.m.

Present: Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

CONVENE INTO EXECUTIVE SESSION

Convened into Executive Session at 5:30 p.m.

2. EXECUTIVE SESSION

- 2.-A. The City Council shall convene into executive session pursuant to the TEXAS GOVERNMENT CODE, §551.071 to seek legal advice from the City Attorney and discuss litigation related to GOFF vs. BICKERSTAFF. (15 minutes)
- 2.-B. The City Council shall convene into executive session pursuant to the TEXAS GOVERNMENT CODE, §551.071 and §551.072 to discuss with the City Attorney potential litigation, real property deliberations and acquisition of property to wit: Elgin B. Robertson Park. (10 minutes)
- 2.-C. The City Council shall convene in Executive Session pursuant to the TEXAS GOVERNMENT CODE, §551.071 and §551.087 to seek legal advice and to deliberate on economic development incentives and financial prospects for property located at or around Pecan Grove Park. (15 minutes)
- 2.-D. The City Council shall convene in Executive Session pursuant to the TEXAS GOVERNMENT CODE, §551.071 to seek legal advice from the City Attorney on changes to the structure of Municipal Court. (5 minutes)

- 2.-E. The City Council shall convene into executive session pursuant to the TEXAS GOVERNMENT CODE, §551.074(a)(1), Personnel, to deliberate the appointment of the City Manager and to consider City Manager search options. (10 minutes)

RECONVENE INTO OPEN SESSION

The City Council reconvened into open session at 7:00 p.m.

3. WORK SESSION ITEMS (6:15 P.M.)

- 3.-A. Update from the Mayor. (15 minutes)

This item followed Item 3F.

Mayor Harper stated at the upcoming October 21st meeting, training for the Planning and Zoning Commissioners will be discussed, as well as, reviewing the Boards and Commissions Handbook. Stated the Interim City Manager will review the City's Performance Measures for employee productivity; a quarterly report will be presented regarding the roadways and streets; the Council will be evaluating the Municipal Court Judges and Prosecutor on November 4th and the City Secretary has been evaluated.

Spoke concerning the DART Blue Line Extension bids will be opened on October 28th and awarded in January 2009; stated discussion of expanded Code Enforcement will be discussed at a later date.

- 3.-B. Update from the City Manager. (5 minutes)

This item was not discussed during the Work Session.

- 3.-C. Discuss options to pass on fiscal year 2008-2009 utility rate increases based on budget adopted on September 16, 2008. (15 minutes)

This Item was the first item discussed during the Work Session.

Brian Funderburk, Director of Financial Services presented a PowerPoint presentation entitled "Utility Rate Options Presentation" (28 slides)s.

Agenda

- *FY 2008?09 Budget Requirements*
- *Rate Design Components*
- *City Challenges*
- *Rate Design Options*
- *Other Considerations*

2008-09 2008 Budget

- *City's adopted budget includes \$1.4 million in utility enterprise related revenues requiring rate increases.*
- *\$1.1 million or 76.8% comes from rate increases from the City's utility providers/*

- contractors - passed on at cost with no markup.
- \$0.3 million or 23.2% is from drainage customers for Capital Improvements.

Description	Adopted Revenue
2007-08 Water increase (NTMWD)	\$ 168,000
2008-09 Water increase (NTMWD)	\$ 319,204
2007-08 Sewer increase (Garland)	\$ 132,000
2008-09 Sewer increase (Garland)	\$ 232,195
2008-09 Refuse increase (IESI)	\$ 259,839
2008-09 Drainage increase for CIP	\$ 335,502
Total	\$ 1,446,740

Cost of Service Philosophy

Rate Design Components

- Customer Charge (Base Rate): Fixed charge to cover costs passed on to all customers, regardless of use.
- Volume Charge: Charged per unit of actual water and wastewater used by a customer.

Types of Volume Charges

- Level: The price per unit of water remains the same regardless of volume of use.
- Inclining Block Rate: The price per unit of water increases with increased volume of usage.
- Declining Block Rate: The price per unit of water decreases with increased volume of usage.
- Models with level volume rates imply abundant water resources and very stable technology.
- Models with inclining block rates are generally used in communities to promote conservation and/or reduce peak demand.
- Models with declining block rates are often used in communities with heavy industrial or commercial users and is considered regressive to lower income customers.

Rowlett Challenges

- City has one of the highest monthly utility bills in the metro area.
- Low commercial customer base - 4.2% of total.
- High level of debt service (\$5.4 million per year) requires relatively high minimum from each customer.
- Water and sewer (base & volume) charges work opposite of each other when trying to minimize the impact to any user group.
- The challenge - how to allocate \$1.4 million in utility related increases.
 - Equally? Everyone pays the same.
 - Declining block? Lower end users pay more.
 - Inclining block? Higher end users pay more.

Rate Design Options - Option 1 "Base Fees"

- Option 1 passes on any rate increases through the "base" fees.
 - Customers pay the same amount of the increase, or \$6.16 per month.
 - Percent increase ranges from 8.3% for lower end users to 1.6% for higher end users.
 - Lower end users pay proportionately more.

Rate Design Options - Option 2 "Volume Fees"

- Option 2 passes any rate increases through the "volume" charges for water and sewer and base charges for drainage & refuse.
 - Dollar impact increases from \$4.02 for lower end users to \$25.17 for higher end

users.

- Customers pay roughly the same percentage of increase, or appx. 6.0%+/-.

Rate Design Options - Option 3 "Neutral"

- Option 3 goal was to make the increase neutral to the average residential customer; however, the best staff could do was make it neutral to lower end users.
- Dollar impact increases from \$0.00 for lower end users to \$33.62 for higher end users.
- Percent increase ranges from 0.0% for lower end users to 8.5% for higher end users.
- Shifts bulk of increase to higher end users.

Rate Design Options - Option 4 "1.50 Neutral"

- Option 4 uses Option 2's methodology but the goal was to make the drainage increase only neutral to the average residential customer.
- Dollar impact increases from \$2.91 for lower end users to \$63.19 for higher end users.
- Percent increase ranges from 3.9% for lower end users to 15.9% for higher end users.
- Customers share costs of increase except for the value of the drainage fee which is spread to higher end users.

Rate Design Options - Option 5 "Winter Sewer Averaging"

- Option 5 provides a winter sewer averaging concept for residential customers only – vs- the 10k cap currently in use.
- Dollar impact increases from \$2.65 for lower end users to \$221.13 for higher end users.
- Percent increase ranges from 3.6% for lower end users to 55.7% for higher end users.
- Loss of 177.4 million gallons of billable sewer negates much of individual savings.

Rate Design Comparison - Resident Rates - All Utilities

<u>Service</u>	<u>Current</u>	<u>Op1</u>	<u>Op2</u>	<u>Op3</u>	<u>Op4</u>	<u>Op5</u>
Water-Base	\$10.60	\$13.05	\$10.60	\$10.00	\$5.00	\$10.00
Water-Vol	\$3.16/\$3.66	\$3.16/\$3.66	\$3.39/\$3.89	\$3.45/\$3.95	\$3.90/\$4.40	\$3.68/4.18
Sewer-Base	\$16.17	\$17.94	\$16.17	\$7.00	\$22.00	\$20.00
Sewer-Vol	\$3.42*	\$3.42*	\$3.67*	\$4.95*	\$2.85*	\$3.08^
Refuse (1st polycart)	\$14.63	\$15.07	\$15.07	\$15.07	\$15.07	\$15.07
Drainage (per household)	\$4.00	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50

*10,000 gallon maximum-residential only

^Winter averaging

Rate Design Options - Customer Impact - by Usage Block

Rate Design Options - Total Customer Bill - by Usage Block

Other Considerations

- All proposals based on charging municipal accounts the same rate charged by NTWMD, projected at \$1.22 for FY 2008-09.

Mayor Harper stated the contract with IESI, for waste disposal services, has contractual increases written into it for increases on an annual basis and fuel surcharge increases.

Stated as fuel prices decrease, the Council will seek to have the fuel surcharge increase reduced.

Council discussed the five options presented.

A consensus was made to implement Option 2.

3.-D.

Hear presentation from the Director of Finance & Administration regarding the state of the economy and its impact on the City of Rowlett. (5 minutes)

Brian Funderburk presented the Council with the following presentation:

"Lehman rescue fails as Bank of American Grabs Merrill", "AIG Troubles Feed Market Fears", "Market Woes Hit Tollway Authority", and "Financial Crisis Shock Waves Reaches Municipalities".

Ladies and Gentlemen, these are the headlines commanding our news in recent weeks. For the fiscal year just ended on September 30, 2008, staff is optimistic that the City will meet its financial reserve targets for all funds. Even though revenues fell below our original projections, expenditures also dropped through employee vacancies and operational directives to ensure we meet our targets.

The new fiscal year; however, starts off with significant economic uncertainty. If our crystal ball was partly cloudy last year, it is downright gloomy this year.

We have known for some time that declines in the housing sector have impacted the national economy. Sales have dropped, prices have dipped, and housing stocks have risen. Foreclosures topped the news as homeowners struggled to meet the obligations with subprime mortgages. The failure rate is staggering and has ultimately caused the markets to reevaluate their holdings. Many banks and investors found themselves with devalued assets that they sold at deep discounts or have been forced to write down their values on their books.

Under Federal regulations, banks are required to maintain certain capitalization requirements. Therefore, when they have had to write down or discount these assets, they have had to raise additional capital or risk the federal bank examiners stepping in to take over their institutions.

How does this affect our local community? The answer is simple...liquidity and credit. Many businesses, even highly successful ones, depend upon credit to tie them over between meeting orders and receiving payment. This is how they meet payroll, cover operating costs and finance equipment. If banks cannot get money to loan, local businesses suffer and begin to cut back. If local businesses cut back, employees are laid off. If employees are laid off, sales taxes decline and property tax receivables begin to increase reducing the ability of cities and counties to meet their obligations. It is a trickledown effect.

In September 2008, the National League of Cities published their Annual Survey of City Finance Officers entitled 'Research Brief on America's Cities'. They indicated that the outlook for next year includes a number of concerns as follows:

- City tax bases and collections for 2008 are declining and inflationary factors, such as energy and fuel prices, will continue to increase costs and reduce the purchasing power of city revenues.*
- The real estate market tends to be slow to recover from downturns, meaning that a*

rapid rebound in property tax revenues in the future cannot be expected in the next few years.

- Other economic conditions - consumer spending, jobs, and income growth - are also struggling and will weigh heavily on future city revenues.
- Federal and State budget difficulties mean that additional aid to local governments are unlikely.
- Three of the factors that city finance officers report as having the largest negative impact on their ability to meet needs are employee-related costs for health care coverage, pensions, and wages. Health care and pension costs, in particular, are increasing at a faster rate than city revenues. This reality is unlikely to change in the near future, placing added fiscal strain on city budgets.
- Facing revenue and spending pressures, cities are likely to tap into ending balance levels that are historically at high levels.
- Public reactions to declining economic conditions often are manifested in increased resistance to government taxes and spending, often limiting the tools available to public officials to offset declining fiscal conditions.

These are concerns shared locally as well. However, it should be noted that Texas in general, in particular North Texas, has done well in the past year compared to the rest of the economy. Partly because of its oil based industries and partly because of its business friendly environment. It is still a lure to businesses who want to relocate or expand. If the credit crisis had been effectively addressed by Congress, then North Texas many very well continue to be relatively 'buffered' from the woes at the National level. If not, then North Texas will begin to see a downturn as well.

Rowlett itself may be an anomaly. Why? Rowlett will be impacted by the construction of the eastern extension of President George Bush Turnpike for the next three years with a host of workers who will eat at our restaurants and make other purchases. In addition, Rowlett does not rely on sales from big malls and high priced stores that Frisco, Mesquite, Garland and others do. Much of our business activity stems from residents buying necessities at Wal-Mart, Target and Tom Thumb. In fact, these sales may increase as residents defer driving in favor of shopping locally.

Therefore, the question still remains to Rowlett...how will it be affected? If credit (i.e. liquidity) is not restored, there is no doubt Rowlett's economy will be negatively impacted. Businesses will not be able to operate as they have and will most likely cut back. However, if credit is restored, Rowlett may be one of those rare bubble locations that may actually prosper.

What then should we do? Taking drastic action is not warranted at this stage yet doing nothing is not reasonable under the circumstances. The City Manager is already urging caution and has put department directors and employees on notice that 'conservative stewardship' is expected in light of large scale increases in fuel, utilities and construction materials. In addition, finance will establish monitoring tools to evaluate spending patterns and trends and to alert not only department directors but also the city management team of any potential problems. This is a realistic approach to remain flexible if additional budget adjustments are necessary and any areas of concern will be immediately reported to the City Council.

Finally, I would like to quote our Interim City Manager, George Harris, in a communication sent recently to our employees, 'The City is solvent, our reserves are adequate and our spending plan is prudent. With your help and stewardship we approach the new fiscal year aware and prepared.'

Mayor, that concludes my comments."

Mayor Harper congratulated the Interim City Manager for the reduction in spending by over \$1M and all the reserves are at the minimum level as established by Council policy.

Council stated there has been difficult decisions throughout the year but have commended the City's leadership.

Mayor Harper asked if the City had any variable rate debt outstanding.

Staff stated the City has the 1997A Bonds; the bonds reset in August 2008 and the debt service fund will benefit this year by approximately \$80,000.

Stated the City does have an "A" rating and we are in a good position.

3.-E. Discuss contract review and renewal options for the Rowlett Chapter #4440 of the Academy of Model Aeronautics. (5 minutes)

Tim Hightshoe, Parks Division Manager brought forth information regarding the renewal options for the Rowlett Chapter #4440 of the Academy of Model Aeronautics; went over the various contract options with the Council.

Council discussed the different options and came to a consensus to draft a renewal contract reflecting the changes in Option 2 with a ninety (90) day trial period.

3.-F. Presentation of information program for Charter Amendment Election. (10 minutes)

Mayor Harper thanked the members of the Charter Review Commission for their diligent work.

Staff spoke concerning a flyer that contains the proposition changes that will be distributed to City facilities; the flyer will be emailed to community organizations, newspaper, and those who have signed up for City emails. Spoke concerning the five (5) proposed Charter amendments that were not included on the ballot. Stated the five proposed Charter changes, with the Council's consensus, will be brought back in a form of a resolution to adopt.

4. DISCUSS REGULAR SESSION ITEMS

Items 9B, 9F, 9K, 9O and 9FF were removed from the Consent Agenda to be considered individually.

Mayor Harper stated he would not participate during Item 9O and has filed a conflict of interest form with the City Secretary.

Work Session adjourned at 8:15 p.m.

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)

Reconvened into the Regular session at 8:20 p.m.

5. INVOCATION

The invocation was led by Pastor Lance Ward, Rowlett Bible Fellowship.

6. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Harper.

7. PRESENTATIONS AND PROCLAMATIONS**7.-A. Update from the Mayor.**

Mayor Harper stated the Council is on schedule for finding a new City Manager; the President George Bush Turnpike Eastern Extension and the DART Blue Line Extension are both on schedule; and spoke concerning various roadway construction.

7.-B. Proclamation - 2008 National Night Out Proclamation

Mayor Harper presented a proclamation to Police Chief Matt Walling and Assistant Fire Chief Don Poovey.

7.-C. Statement of Support for the National Guard and Reserve.

Mayor Harper presented a proclamation to Gary Owens, Program Manager and Joann Donovan, volunteer.

Mayor Harper recognized Councilmember Kilgore for his service in the reserves.

8. CITIZENS' INPUT

- 1. Carin Walden, 6217 Covington, spoke regarding the air field at Springfield Park.*
- 2. Ken Romaine, 3001 Larkin Lane, spoke regarding the Radio-controlled flying field contract.*

9. CONSENT AGENDA

Mayor Harper explained the procedure regarding the Consent Agenda and the rights of each Councilmember and each citizen to have any consent agenda item removed to be considered individually.

Items 9B, 9F, 9K, 9O and 9FF were removed from the Consent Agenda to be considered individually.

City Secretary read items into the record.

Prior to the motion and voting for the Consent Agenda, Deputy Mayor Pro Tem Maggiotto questioned staff regarding Item 9M.

Deputy Mayor Pro Tem Maggiotto stated "Mayor, one for clarification. On Item 9M, I guess I have a question for Mr. Baugh. Was there some discussion about charging a fee for that staging area?"

Patrick Baugh, Director of Public Works and Utilities replied "There was no discussion on it."

Deputy Mayor Pro Tem Maggiotto stated "Okay and though there is in your report some discourse to that effect, correct?"

Mr. Baugh stated "There is mention of that possibility, yes."

Deputy Mayor Pro Tem Maggiotto stated "Could you expand on that please?"

Mr. Baugh stated "Not really, sir; I put that in there in case the Council wanted to discuss that issue."

Deputy Mayor Pro Tem Maggiotto stated "Could you outline that for us then?"

Mr. Baugh replied "There's a piece of property that NTTA would like to use as a staging area and it is property that belongs to the City. Typically when the City uses property for construction projects, we are charged and we do pay some type of payment for use of that property. It seemed appropriate that the City Council at least have the opportunity to discuss that so I did put that...mention of that possibility in the report."

Deputy Mayor Pro Tem Maggiotto asked "Could you talk to what that would represent in dollars?"

Mr. Baugh replied "I just...from what the City has paid on various temporary construction easements and use of property agreements, we've paid a percentage of what the appraised value of the property is. In this case, to use the full ten (10) acres that the City owns along Kirby Road along the alignment of the corridor, it would be as much as \$250,000 a year."

Deputy Mayor Pro Tem Maggiotto asked "And for how many years is that going to be?"

Mr. Baugh replied "At least a three (3) year construction project; forty (40) months is what the North Texas Tollway Authority (NTTA) is telling us."

Deputy Mayor Pro Tem Maggiotto stated "Okay, and so we're talking about \$750,000 correct?"

Mr. Baugh replied "Possibly."

Deputy Mayor Pro Tem Maggiotto stated "Okay."

Mayor Harper stated "Mr. Maggiotto, not to interrupt but we really need to take this off of the agenda and put it on Individual Consideration. And I would suggest, Mr. Harris, I don't know anything about this and therefore it needs to be on a Work Session before it's brought before us for approval. So Mr. Maggiotto, please indulge me, I'd like to have the Consent Agenda amended so that 9M is excluded and we'll take it up for Individual Consideration but not this evening since more work needs to be done. Mr. Baugh, we need to have specific, and Mr. Harris, give us a chance to have that ahead of time before we act on it."

George Harris, Interim City Manager, replied "Mayor, if I might, a point of order to the City Attorney. Does this need an action form of tabling now?"

David Berman, City Attorney, stated "Technically, it needs to be pulled from the Consent Agenda and then the motion to table the item once it comes back up for Individual Consideration; it needs to be seconded and passed by a majority. That's the proper procedure."

Mayor Harper stated "So at this point what I'm asking is for this to be removed from the Consent Agenda and we would need a motion to do that. Is that correct?"

Mr. Berman replied "No, anyone can pull it from the Consent Agenda but once pulled it makes it come up for Individual Consideration and there needs to be a motion to table."

Mayor Harper replied "Okay, that will be coming up for Individual Consideration later then."

Items 9B, 9F, 9K, 9M, 9O and 9FF were removed from the Consent Agenda to be considered individually.

- 9.-A.** Consider approving minutes from the September 16, 2008 Regular Council Meeting and the September 23, 2008 Special Council Meeting.

This Matter was approved on the Consent Agenda.

- 9.-B.** Consider a resolution approving payment for computer software maintenance for Information Technology to SunGard HTE, Inc. in the amount of eighty-five thousand and six hundred eighty-five dollars and no cents (\$85,685) and authorizing the City Manager to execute the necessary documents to acquire such services.

This item followed Item 9M.

Mayor Harper read the item into the record.

Councilmember Phillips stated "I understand that we're probably going to have to go with this at this time to pay this maintenance because of where we are in the process but basically what I wanted to do was make a statement. That's an awful lot of money to spend on maintenance for that particular type of software. That is an area that I do have some expertise in. And I would just encourage city staff to take this as a potential opportunity to investigate some managed competition options to address this issue. We may be able to do it in a much more cost effective way with something that's a little more current and supportive."

Mayor Harper stated "I'd like to add to that with a question. Is this an annual contract subject to annual renewals?"

The question was affirmed.

A motion was made by Councilmember Phillips, seconded by Councilmember Jackson, that this matter be approved as RES-118-08. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

- 9.-C. Consider a resolution approving payment for computer software maintenance for Information Technology on behalf of the Police Department to VisionAir in the amount of eighty-eight thousand ten dollars and seventy-seven cents (\$88,010.77) and authorizing the City Manager to execute necessary documents to acquire such services.

This Matter was adopted as RES-105-08 on the Consent Agenda.

- 9.-D. Consider a resolution approving the payment for telephone hardware maintenance for the Information Technology Division to ICS Telephones in the amount of twenty-six thousand one hundred thirty-three dollars and no cents (\$26,133) and authorizing the City Manager to execute the necessary documents.

This Matter was adopted as RES-106-08 on the Consent Agenda.

- 9.-E. Consider a resolution approving the second of two one-year extension options with Petroleum Traders Corporation for motor fuel in the unit amounts bid for transporting and delivery per fuel gallon and type for an estimated annual amount of three hundred seventy-one thousand two hundred fifty dollars and no cents (\$371,250).

This Matter was adopted as RES-107-08 on the Consent Agenda.

- 9.-F. Consider a resolution authorizing a one-year renewal option for the annual concrete repair/replacement bid with Platinum Paving Company and approve an amendment increasing the unit amounts bid per category by 3% to allow for increased costs of rebar, steel accessories, and fuel with an estimated amount of one million five hundred thousand dollars and no cents (\$1,500,000) per annum for the City of Rowlett.

Mayor Harper read the item into the record.

Deputy Mayor Pro Tem Maggiotto stated "For this particular item in the context of a recently passed 2008-2009 budget, where is this in that mix given that our concrete section replacement budget is somewhere in the \$3.1M range."

Mr. Baugh replied "That's right. We're currently working...this will be a continuation of the existing contract and it does authorize another \$1.5M. We're working with our attorney, David Berman, to establish a new contract that has a little bit more control and leverage in that and so we anticipate that contract being ready and we have another contract for at least another \$1M or \$1.5M ready to go probably in January."

Deputy Mayor Pro Tem Maggiotto stated "Okay, and again my concern is, this speaks to it if you will, our consumption rate of our CIP budget. I understand that last year...last

fiscal year, what was allocated for concrete section replacement was reduced by two-thirds (2/3) to address Princeton Road. So in the context that we are behind I'm concerned that our capacity to take the \$3.2M that we allocate this fiscal year and then have that exhausted by the end of the year, I want to make sure that gets accomplished."

Mr. Baugh stated "Yes, sir. We'll do everything to do that."

Deputy Mayor Pro Tem Maggiotto stated "Okay. You know you spoke to that a little bit, I guess maybe one (1) or two (2) months ago where you thought that you may have to bring another couple of crews in or different contractor but I'm looking for opportunities to increase that budget through this fiscal year by looking at our CIP and some of the other things coming our way hopefully."

Mr. Baugh stated "Thank you, sir."

Deputy Mayor Pro Tem Maggiotto stated "Thank you, Mr. Baugh."

Mayor Harper stated "Let me add a couple of comments to that as well Mr. Maggiotto. And again, thank you for your leadership in this area. For those of you in the audience and those watching the TV broadcast, the reason that we put so much attention on this particular program is because we're really conducting a form of triage, if you will. We have selected neighborhood roads and streets that with a little bit of attention, a little bit of an investment, we can stop their deterioration and cause them to be quickly improved and maintained, depending on whether it's concrete or asphalt, a ten (10) year life. Am I correct about that, Mr. Baugh?"

Mr. Baugh answered in the affirmative.

Mayor Harper continued "And in the meantime of course, there are other areas that are so far gone right now that it's going to require a very major investment. And so we're trying to get by as much as possible with the least as possible but at the same time, I must tell you, an investment of \$3M of our very scarce and limited resources into neighborhood streets is a major investment. And the reason that Mr. Maggiotto is asking the question 'why didn't we get it done yesterday', is because we know that with each day the deterioration continues and we need to stop that deterioration. That's why we have the neighborhood roads and streets program and again, thanks for Mr. Maggiotto's leadership in that area."

A motion was made by Councilmember Rushing, seconded by Councilmember Phillips, that this matter be approved as RES-119-08. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

9.-G.

Consider a resolution authorizing the City Manager to enter into an Interlocal Agreement with Dallas County for Household Hazardous Waste for Fiscal Year 2009.

This Matter was adopted as RES-108-08 on the Consent Agenda.

- 9.-H. Consider a resolution authorizing the City Manager to enter into an Interlocal Agreement with the City of Garland for Public Health Services for Fiscal Year 2009.

This Matter was adopted as RES-109-08 on the Consent Agenda.

- 9.-I. Consider a resolution authorizing the second one-year renewal option of Sweeping Services of Texas, Operating LP for street sweeping and collection services in the unit prices bid and in an estimated annual amount not to exceed thirty thousand dollars (\$30,000) for the City of Rowlett.

This Matter was approved as RES-110-08 on the Consent Agenda.

- 9.-J. Consider a resolution awarding the annual bid #2008-54 for water meters and water meter parts to the low bidders of Aqua-Metric Sales Company and North Star Underground Utility in the unit amounts in Exhibit A and in an estimated annual amount of fifty thousand two hundred and fifty dollars and no cents (\$50,250).

This Matter was adopted as RES-111-08 on the Consent Agenda.

- 9.-K. Consider a resolution awarding the proposal for billing and collection of emergency medical services to Southwest General Services of Dallas, LLC and authorizing the City Manager to execute the necessary documents.

Mayor Harper read the item into the record.

Councilmember Phillips stated "Again, it may be a very simple question but reading through that proposal, I see that we're looking more towards an all electronic system where the EMTs will enter directly into the computer the care given and will be transmitted electronically for billing. My concern with that is an audit trail. If there's a computer problem or an issue where the information is not received correctly, it's corrupted in route, do we have a way to go back and verify what should have been billed? I know the paper system that we're using now isn't perfect but it's something that we have that we can go back to a piece of paper and say 'here's what we did'; we have an audit trail."

Don Poovey, Assistant Fire Chief replied "The way it transmits is it does a handshake with the server over the wireless and then it confirms that it has downloaded all the data. There remains a copy on the local drive on that laptop so you have it there. That's not cleared until a later date when we authorize that to be cleared because we've authenticated all the runs with a QI process. It's kind of the same way it's working now, that paper we have now is really just a partial run. It has to be coded and put through the scanner and it's really all you have that's usable is the narrative part which is done but it leaves a copy on the local machine when you transmits those into that."

Councilmember Phillips stated "Okay, so what I'm hearing is that you're auditing the stuff that's getting put into the system once it's received by the billing company and you're not removing the local copy until that audit is complete."

Assistant Chief Poovey replied "Right."

A motion was made by Councilmember Phillips, seconded by Councilmember Rushing, that this matter be approved as RES-120-08. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

9.-L. Consider a resolution awarding the proposal for wrecker services to Jordan Towing Inc. and authorize the City Manager to execute agreements.

This Matter was adopted as RES-112-08 on the Consent Agenda.

9.-M. Consider a resolution authorizing the City Manager to execute a Staging Area Agreement with the North Texas Tollway Authority for the use of a construction staging area on City owned property located south of the Kirby Road Elevated Water Storage Tank for construction of Section XXX (30) of the Eastern Extension of the President George Bush Turnpike from north of Merritt Road to south of Main Street.

This item followed the motion and voting on the approval of the Consent Agenda items.

Mayor Harper stated "Now we would have a motion, Mr. Gottel, a motion to table agenda item 9M."

Mayor Pro Tem Gottel stated "Yes, that's correct."

Mayor Harper stated "So we have a motion, is there a second?"

Councilmember Phillips seconded the motion.

A motion was made by Mayor Pro Tem Gottel, seconded by Councilmember Phillips, that this matter be postponed. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

9.-N. Consider a resolution indicating concurrence with the Dallas Area Rapid Transit organization to acquire necessary Rights of Way for the Blue Line extension of Light Rail Transit to Downtown Rowlett.

This Matter was adopted as RES-113-08 on the Consent Agenda.

- 9.-O. Consider a resolution approving the purchase of equipment and services to provide Phase II Wireless capabilities to the Rowlett Police Department 9-1-1 PSAP and the Back Up 9-1-1 System in the City's Emergency Operations Center to Verizon in the amount of forty-three thousand eighty-seven dollars and fifty cents (\$43,087.50) and authorize the City Manager to execute the necessary contract after approval by the City Attorney.

This item followed Item 10C.

Mayor Harper stated "Mr. Gottel will preside because at this point I'm going to leave the room. Mr. Kilgore has shamed me into leaving my briefcase behind so that I'll come back. So I'll just step out of the room and let you do your deliberation and I'll return when you adjourn."

Mayor Pro Tem Gottel read the item into the record.

Mayor Pro Tem Gottel stated "Does anybody have any comments or questions?"

A motion was made by Councilmember Phillips, seconded by Councilmember Rushing, that this matter be approved as RES-121-08. The motion carried by the following vote:

Ayes: 6 - Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

Conflicts: 1 - Mayor Harper

- 9.-P. Consider a resolution approving the Texas Department of Transportation Traffic Safety Program eGrant agreement for the STEP Comprehensive 2009-2011 Grant.

This Matter was adopted as RES-114-08 on the Consent Agenda.

- 9.-Q. Consider a resolution of the City Council of the City of Rowlett, Texas approving the trust documents for the "Single Non-Profit Trust" that allows the City of Rowlett to be exempt from Insurance Premium Taxes, designating the Human Resources Manager as Trustee on behalf of the City of Rowlett, and authorizing the City Manager to execute said trust documents.

This Matter was adopted as RES-115-08 on the Consent Agenda.

- 9.-R. Consider a resolution awarding proposals for employee benefits for Fiscal Year 2008-2009 to Humana for Medical/Health Insurance in the amount of \$2,315,815, City paid Ancillary Coverage to CIGNA in the amount of \$83,500, and Employee Assistance Program to Alliance Work Partners in the amount of \$6,800.

This Matter was adopted as RES-116-08 on the Consent Agenda.

- 9.-S. Consider an ordinance amending the Code of Ordinances regarding the Animal Shelter Advisory Board.

This Matter was approved as ORD-029-08 on the Consent Agenda.

- 9.-T. Consider an ordinance amending the Code of Ordinances regarding the Arts & Humanities Commission.

This Matter was approved as ORD-030-08 on the Consent Agenda.

- 9.-U. Consider an ordinance amending the Code of Ordinances regarding the Board of Adjustment.

This Matter was approved as ORD-031-08 on the Consent Agenda.

- 9.-V. Consider an ordinance amending the Code of Ordinances regarding the Economic Development Advisory Board.

This Matter was approved as ORD-032-08 on the Consent Agenda.

- 9.-W. Consider an ordinance amending the Code of Ordinances regarding the Golf Advisory Board.

This Matter was approved as ORD-033-08 on the Consent Agenda.

- 9.-X. Consider an ordinance amending the Code of Ordinances regarding the Library Advisory Board.

This Matter was approved as ORD-034-08 on the Consent Agenda.

- 9.-Y. Consider an ordinance amending the Code of Ordinances regarding the Parks and Recreation Advisory Board.

This Matter was approved as ORD-035-08 on the Consent Agenda.

- 9.-Z.** Consider an ordinance amending the Code of Ordinances regarding the Planning and Zoning Commission.
- This Matter was approved as ORD-036-08 on the Consent Agenda.**
- 9.-AA.** Consider an ordinance amending the Code of Ordinances regarding the Senior Advisory Board.
- This Matter was approved as ORD-037-08 on the Consent Agenda.**
- 9.-BB.** Consider an ordinance amending the Code of Ordinances regarding the Traffic & Safety Advisory Commission.
- This Matter was approved as ORD-038-08 on the Consent Agenda.**
- 9.-CC.** Consider an ordinance amending the Code of Ordinances repealing "Division 12. Fire Rescue Department" listed in Article II. Boards Commissions, Committees and establishing "Division 9. Fire Rescue Department" in Article III. Departments.
- This Matter was approved as ORD-039-08 on the Consent Agenda.**
- 9.-DD.** Consider an ordinance amending Ordinance No. ORD-022-08 addressing ballot language and voting locations.
- This Matter was approved as ORD-040-08 on the Consent Agenda.**
- 9.-EE.** Consider a resolution to enter into a joint election contract with Dallas County.
- This Matter was adopted as RES-117-08 on the Consent Agenda.**

Passed The Consent Agenda

A motion was made by Mayor Pro Tem Gottel, seconded by Deputy Mayor Pro Tem Maggiotto, including all the preceding items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

- 9.-FF.** Consider approving a resolution supporting the 2008 Rockwall County Road Bond Election to be held November 4, 2008.

Mayor Harper read the item into the record.

Mayor Pro Tem Gottel stated "In reviewing this information, basically what we're asking Council to approve a resolution supporting the 2008 Bond for Rockwall County. Where I kind of struggle with this personally is when I look through the proposal; they're not doing anything for our City. Yes, we have some Rockwall County...we have Rockwall County Rowlett roads but from that perspective all the road work that's being done, a \$100M they're asking for us to support, doesn't include anything for our City. It's all, of course, Rockwall. So therefore, I can't support this."

Mayor Harper stated "Very good. Anyone else wish to make a comment or add a question? Mr. Kilgore."

Councilmember Kilgore stated "I have a few observations about it and I've had some of the same issues come up or some concerns about it. When you first look at it, the concept about mobility, when you're talking about roads, rail, or whatever, we always hear the term regional mobility; because it is all interconnected. What happens in Rockwall County does count over here or Dallas County or any place else, so my initial impression is I'm supporting anybody's transportation projects under the fact that it's a regional mobility plan. As a matter of fact, we wouldn't be getting a turnpike extended if it weren't for regional mobility and things like that. But I live in Dallas County so I don't give a whole lot of thought to, on a day-to-day basis, about what the folks on Rockwall County side of the City are paying for much of anything. Then I got an email from a citizen that said 'I have a problem with this. We are going to pay for it, so what goes on the Rockwall County side, we're going to be paying for this project but we're not going to enjoy any benefits.' And I'm not going to discuss the merits of what some of these folks have had to say because I could fashion arguments either way. I could say 'yes, you would receive some benefits from it' even if the road is on the other side of Rockwall County. And then they've enumerated a number of issues over the years where they felt they've been slided by Rockwall County because Rockwall County has tended not to fund things or do things with the folks on this side of the lake because of the fact that they are detached from the main part of Rockwall and they are part of our City...leave it up to the City but we'll still take your money. So this is beginning to bother me so I made a few phone calls. I called some of the folks that I know that live on the Rockwall County side and I found to a person to with one exception every single person that I talked to and every person that they know they're opposed to the bond issue. And they all have different reasons for being opposed to the bond issue. And some of them sound pretty good and some of them don't sound so good but that leaves me in a quandary because those are the folks I represent. They are, for whatever reason, they're not supporting the road bond election and they have a little bit of problem with us or me saying 'yes, I'm in favor of it' when...and so far it's such a...the folks on this side of the lake are so uniformly against it; at least the ones I've talked to and we haven't had any public comment on it. And I don't know other than this handful of folks that I've talked to, I really don't know if there's any consensus about the folks on that side of the lake or not but it leaves...but I feel like it leaves me kind of in a difficult position here because the folks I represent I feel a little bit concerned about saying 'yes, I'm in favor of this' when I know in fact a lot of the people I represent are not in favor of it. And that's the dilemma that I'm trying to deal with."

Mayor Harper stated "Mr. Kilgore, let me add to that because those in the audience and those watching the TV broadcast may not realize that the City of Rowlett spans two (2) counties. We actually are mostly located in Dallas County but there is a portion of the City of Rowlett that is located in Rockwall County. Approximately eight thousand (8,000) of our fifty-five thousand (55,000) residents reside in Rockwall County. Because they reside in Rockwall County they pay Rockwall County taxes instead of Dallas County taxes and their students attend Rockwall Independent School District schools instead of Garland Independent School District schools as do those who are living in the Dallas County side of the City of Rowlett. So that is a dilemma. I also want to be sure you understand that Mr. Kilgore, like all of us, does represent the entire City. We are elected at-large not by district.

We have no specific district constituency; every fifty-five thousand (55,000) member is represented by us. And Mr. Kilgore is absolutely correct when he says he represents the people over on the Rockwall County side. I want to be sure we all understand that. We have Mr. Gottel's comments, Mr. Kilgore's comments, anyone else wish to add to that? Mr. Phillips."

Councilmember Phillips stated "I've got nothing new to add to that."

Mayor Harper stated "All right. Ms. Rushing."

Councilmember Rushing stated "One of the only things I would say is Mr. Gottel brought up the fact that possibly if this bond issue included some roads in our portion of the City that he might feel different about that. Well, when the matter is when we have a bond issue out there, we as a City Council cannot pass a resolution in support or against it because it will affect our City. And that's one of the reasons that I am against passing a resolution that would say the Council is in support of it because again, although none of this work is going to be on our side we don't usually do this type of thing. We encourage citizens to vote, all citizens to go and vote, to read all literature provided to them, and to make their own decision and that's where I would like to limit my recommendation is just to recommend that they vote."

Mayor Harper stated "Thank you, ma'am. Mr. Maggiotto."

Deputy Mayor Pro Tem Maggiotto stated "Just a motion, Mayor."

Mayor Harper stated "Your motion is?"

Deputy Mayor Pro Tem Maggiotto stated "My motion is to table indefinitely agenda number 9FF."

Mayor Harper stated "The question that I have, if I understood you correctly you wish to have this tabled indefinitely."

Deputy Mayor Pro Tem Maggiotto replied "Yes, Mayor."

Mayor Harper stated "Mr. Berman is that allowable."

Mr. Berman replied "Yes it is a motion to table which is a privilege motion to cut off other discussion once the table motion is made. For all practical intents and purposes if it passed means that it may come up...it's tabled indefinitely until it comes up on a future agenda."

Mayor Harper stated "Thank you for that clarification. Is there a second to Mr. Maggiotto's motion?"

A motion was made by Deputy Mayor Pro Tem Maggiotto, seconded by Councilmember Phillips, that this matter be tabled indefinitely. The motion carried by the following vote:

Ayes: 6 - Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

Noes: 1 - Mayor Harper

10. ITEMS FOR INDIVIDUAL CONSIDERATION

- 10.-A. Consider appointing and/or removing members to various boards and commissions as listed by Resolution No. RES-098-08.

Mayor Harper read the item into the record.

The following appointees, upon their acceptance, are named to the various boards and commissions:

Animal Shelter Advisory Board:

Two (2) alternate member positions are available to be filled for the Animal Shelter Advisory Board.

Alternate member positions:

Nominations were made for alternate member positions:

Mayor Pro Tem Gottel motioned to nominate Scott New as an alternate member. Scott New was appointed, by acclamation, as an alternate member.

*The Alternate member appointee for the Animal Shelter Advisory Board is:
Scott New*

One (1) alternate member position was not filled due to a lack of applicants.

Arts and Humanities Commission:

One (1) regular member position and two (2) alternate member positions are available to be filled for the Arts and Humanities Commission.

Regular member positions:

Nominations were made for the regular member position:

Mayor Pro Tem Gottel motioned to nominate Rosalita Lucas as a regular member. Rosalita Lucas was appointed, by acclamation, as a regular member.

*The regular member appointee for the Arts and Humanities Commission is:
Rosalita Lucas*

Two (2) alternate member positions were not filled due to a lack of applicants.

Economic Development Advisory Board:

One (1) regular member position is available to be filled for the Economic Development Advisory Board.

Regular member position

Nominations were made for the regular member position:

Mayor Pro Tem Gottel motioned to nominate John Spor as a regular member.

John Spor was appointed, by acclamation, as a regular member.

*The regular member appointee for the Economic Development Advisory Board:
John Spor*

*The councilmember appointee for the Economic Development Advisory Board:
Mayor Pro Tem Gottel*

Councilmember Cindy Rushing was appointed as the Mayor's designee to serve on the Economic Development Advisory Board.

Parks and Recreation Advisory Board:

Two (2) alternate member positions are available to be filled for the Parks and Recreation Advisory Board.

Alternate member positions:

Nominations were made for the first regular member position:

Mayor Pro Tem Gottel motioned to nominate Sonja Sackor and Shelia Lucas as alternate members.

Sonja Sackor and Shelia Lucas were appointed, by acclamation, as alternate members.

The alternate member appointees for the Parks and Recreation Advisory Board are (in alphabetical order):

Shelia Lucas

Sonja Sackor

Planning and Zoning Commission:

Four (4) regular member positions and two (2) alternate member positions are available to be filled for the Planning and Zoning Commission.

Appointments for the Planning and Zoning Commission will occur on Tuesday, October 21, 2008.

Senior Advisory Board:

One (1) regular member position is available to be filled for the Senior Advisory Board.

Regular member positions:

Mayor Pro Tem Gottel motioned to nominate Janet Loper as a regular member.

Janet Loper was appointed, by acclamation, as a regular member.

The regular member appointee for the Senior Advisory Board is:

Janet Loper

Tax-Increment Finance District:

Five (5) regular member positions are available to be filled for the Tax-Increment Finance District.

Mayor Harper stated "By explanation, we have designated a good portion of the City of Rowlett as a Tax-Increment Finance District. And this is giving us advantages to finance the development of those areas. In order to establish that district, by State laws and our own laws, we have to have a board that governs or oversees the Tax-Increment District

and what we're doing tonight will be appointing a Chair and appointing two (2) new members. I should also point out that the Garland Independent School District (GISD) has an appointment to make and the Dallas County Community College District has an appointment to make. I am told by Mr. Larry Glick that he is going to be appointed by the GISD to be their appointee to the Tax-Increment Finance Board."

Regular member positions:

Mayor Pro Tem Gottel motioned to nominate Cindy Rushing, John Wing, and Walter Parker as regular members.

Cindy Rushing, John Wing, and Walter Parker were appointed, by acclamation, as regular members.

The regular member appointees for the Tax-Increment Finance District are (in alphabetical order):

Walter Parker

Cindy Rushing

John Wing

Youth Advisory Council:

Six (6) regular member positions and four (4) alternate member positions are available to be filled for the Youth Advisory Council.

Regular member positions:

Mayor Pro Tem Gottel motioned to nominate Johnathan Trejo, Sara Cecil, and Kale Karlen as regular members.

Johnathan Trejo, Sara Cecil, and Kale Karlen were appointed, by acclamation, as regular members.

The regular member appointees for the Youth Advisory Council are (in alphabetical order):

Sara Cecil

Kale Karlen

Johnathan Trejo

10.-B.

Consider a resolution appointing members to the Board of Directors of the Tax Increment Financing Reinvestment Zone Number One.

This item was combined with Item 10A with the appointment of the Tax-Increment Finance Board members.

A motion was made by Councilmember Phillips, seconded by Councilmember Jackson, that this matter be approved as RES-122-08. The motion carried by the following vote:

Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

10.-C.

Consider a resolution appointing a chairperson for the Tax Increment Financing Reinvestment Zone Number One Board.

Mayor Harper read the item into the record.

Mayor Pro Tem Gottel stated "I would like to nominate Cindy Rushing."

A motion was made by Mayor Pro Tem Gottel, seconded by Councilmember Kilgore, that this matter be approved as RES-123-08. The motion carried by the following vote:

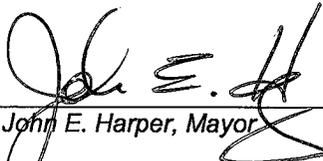
Ayes: 7 - Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Maggiotto, Councilmember Phillips, Councilmember Rushing, Councilmember Jackson and Councilmember Kilgore

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

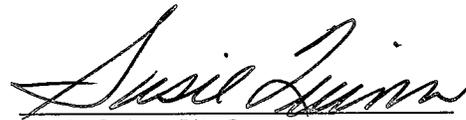
No actions were taken during Executive Session.

11. ADJOURNMENT

Mayor Pro Tem Gottel adjourned the meeting at 9:34 p.m.



John E. Harper, Mayor



Susie Quinn, City Secretary

Date Approved: October 21, 2008