

**TOWN COUNCIL
MEETING MINUTES
SEPTEMBER 1, 2015**

The Town Council met in regular session on Tuesday, September 1, 2015 at 6 p.m. at 372 Town Place, Fairview, Texas. Those present were Mayor Darion Culbertson, who came in during executive session, Council Members Ron Samuels, John Adler, Henry Lessner, Paul Hendricks and Renee Powell; Town Manager, Julie Couch; Town Engineer, James Chancellor; Economic Development Manager, Ray Dunlap; Assistant to the Town Manager, Adam Wilbourn; Planning Manager, Ken Schmidt; Chief Financial Officer, Jason Weeks; Town Secretary, Elizabeth Cappon; Police Chief, Granver Tolliver; Human Resources Manager, Judy Webster; and Town Attorney, Clark McCoy. Councilmember O'Reilly was not present.

Mayor Pro Tem Lessner called the meeting to order at 6:00 p.m. and declared a quorum was present.

At 6:01 p.m., the council then adjourned into executive session to consult with legal counsel regarding pending or contemplated litigation, personnel and economic development. At 6:02 p.m., the Mayor joined the meeting.

At 7:35 p.m., Mayor Culbertson reconvened back into regular session and invited everyone to stand for the Pledge of Allegiance.

All items listed under the Consent Agenda are considered routine and are acted on by one motion, with no separate discussion of these items. If discussion is desired, an item may be removed from the consent agenda and be considered separately. A) Approve minutes of the August 4, 2015 council meeting B) Approve minutes of the August 6, 2015 special council meeting C) Approve minutes of the August 18, 2015 special council meeting D) Approve minutes of the August 25, 2015 special council meeting Approve Amendment E) Authorize the Town Manager to enter into an Interlocal Agreement with Collin County for Dispatch Services. F) Accept the TxAPA Certificate of Achievement for Planning Excellence.

Councilmember Samuels requested to abstain from item D on the consent agenda, as he was not in attendance at the August 25, 2015 special council meeting. Councilmember Lessner made a motion to approve the consent agenda with Councilmember Samuels abstaining from item D. Councilmember Powell seconded the motion, and the motion was unanimously approved.

AMENDING THE 2014-15 BUDGET: Consider, discuss and take any necessary action on an ordinance amending the 2014-15 fiscal year budget, and take any necessary action.

Mr. Weeks gave an overview of the town's budget process. Mr. Weeks stated that the fiscal year 2014-15 budget ordinance, ordinance no. 2014-9-2D, has to be amended to complete the fiscal year. Mr. Weeks stated that the amendment would decrease the town's Fiscal Year 2014-2015 budgeted expenditures by \$219,000. Mr. Weeks stated that staff recommends approval of the amended 2014-15 fiscal year budget as submitted.

Councilmember Hendricks made a motion to approve the ordinance amending the 2014-15 fiscal year budget. Councilmember Adler seconded the motion, and the motion was unanimously approved.

ADOPTION OF THE PROPOSED 2015-16 BUDGET: Consider, discuss and take any necessary action on an ordinance approving the proposed 2015-16 budget, and take any necessary action.

Mr. Weeks gave a presentation on an ordinance approving the proposed 2015-16 budget.

Mr. Weeks stated that the Town Council and staff held a budget workshop on August 6, 2015 as well as the required public hearing on the budget on August 18, 2015 and the proposed budget was discussed at the August 25, 2015 Special Town Council meeting.

Councilmember Samuels made a comment regarding the math on budget item 2a, the wastewater wholesale rate increase of 82% from \$1.07 in 2007 to \$2.34 currently. He felt the record should reflect that rather than adding percentages for a cumulative percentage, the increase was actually 118.69%. Mr. Weeks added that NTMWD has raised the town's rates higher than what has been passed on to the town's customers.

Councilmember Powell made a motion to approve an ordinance approving the proposed 2015-16 budget. Councilmember Samuels seconded the motion. The roll call vote was as follows:

Councilmember Samuels: For
Councilmember Adler: For
Councilmember Lessner: For

Councilmember Hendricks: For
Councilmember Powell: For
Mayor Culbertson: For

ADOPTION OF THE PROPOSED AD VALOREM TAX RATE: Consider, discuss and take any necessary action on an ordinance on the proposed 2015-16 ad valorem tax rate, and take any necessary action.

Mr. Weeks stated that the proper notice was given of the ad valorem tax rate and for both public hearings in the Allen American newspaper on August 6, 2015 and on the town website. The public hearings were held on August 18 and August 25 regarding the \$0.35999 proposed tax rate, which consists of an interest and sinking (I&S) rate of \$0.134141 and a maintenance and operations (M&O) rate of \$0.225858. Mr. Weeks stated that while the tax rate remains the same, tax revenues would increase for the town, with the average tax increase on a \$100,000 home being \$4.13.

Councilmember Samuels stated that he wanted it on record again, that despite the required language of the ordinance stating that this was a change in the tax rate, it is effectively just a tax revenue increase, as the tax rate remains the same. Mr. Weeks agreed with Councilmember Samuels' statement.

Councilmember Samuels made a motion to approve ordinance on the proposed 2015-16 ad valorem tax rate. Councilmember Hendricks seconded the motion, and the motion was unanimously approved.

ADOPTION OF THE 2015-16 PROPERTY TAX REVENUE INCREASE: Consider, discuss and take any necessary action on an ordinance ratifying the 2015-16 property tax revenue increase, and take any necessary action.

Mr. Weeks stated that the Fiscal Year 2015-2016 budget would raise more revenue from property taxes than the previous year by \$359,578 or 7.47%. Mr. Weeks additionally stated that \$87,356 of the \$359,578 would be raised from new property added to the tax roll this year.

Councilmember Hendricks asked what the definition of new property is and what happens if that property is not completed in 2015-16. Mr. Weeks clarified that new property means property completed as of January 2015.

Councilmember Samuels made a motion to approve ordinance ratifying the 2015-16 property tax revenue increase. Councilmember Powell seconded the motion, and the motion was unanimously approved.

FINAL PLAT FOR THE THREE OAKS ADDITION, A PROPOSED RESIDENTIAL NEIGHBORHOOD IN THE SAMUEL SLOAN SURVEY, ABSTRACT NO. 791: Consider, discuss and take any necessary action on a request by Hickman Consulting Engineers, Inc. for approval of a Final Plat for the Three Oaks Addition, a proposed residential neighborhood comprised of eleven single-family residential lots and two common area lots on a 16.457± acre tract of land situated in the Samuel Sloan Survey, Abstract No. 791 and that is generally located north of Country Club Road and west of Rowley Mile. (FP2015-04).

Mr. Schmidt presented agenda item 7 (e) regarding a request by Hickman Consulting Engineers, Inc. for approval of a Final Plat for the Three Oaks Addition, a proposed residential neighborhood comprised of eleven single-family residential lots and two common area lots on a 16.457± acre tract of land situated in the Samuel Sloan Survey, Abstract No. 791.

Mr. Schmidt stated that over the last approximately eight months the Council has seen many versions of this Final Plat, The Council having approved the annexation, zoning and preliminary plat. Mr. Schmidt stated that the final plat fully conforms to the town's regulations and best practices for the preparation of platting documents.

Mr. Schmidt shared that at the time the Council received their packet there were still outstanding issues with staff, mainly with the placement of some commonly maintained improvements and landscaping. He continued that those issues have since been corrected through amendments.

Mr. Schmidt stated that the only outstanding issue is the parkland dedication requirements, in which the developer will likely use the cash in lieu of parkland option. Mr. Schmidt added that the Collin County Appraisal District is currently undervaluing the land at \$17,000 per acre. Mr. Schmidt stated that due to this issue, staff recommends approval of this final plat with the condition that the town utilize its option to get a new appraisal for the property at its predevelopment condition and apply that value to determine the parkland dedication requirements. Mr. Schmidt said the applicant, Mr. Steve Dinapoli, is aware of this condition and is in the audience to address any questions from the council.

Mayor Culbertson asked if staff has an idea for what amount the land should appraise. Mr. Schmidt stated approximately \$75,000 per acre for predevelopment.

Councilmember Samuels asked if the Town gets to select the appraiser. Mr. Schmidt stated that the town gets to select the appraiser and the applicant will pay for the appraisal.

Councilmember Adler made a motion to approve the Final Plat for the Three Oaks Addition, a proposed residential neighborhood comprised of eleven single-family residential lots and two common area lots on a 16.457± acre tract of land situated in the Samuel Sloan Survey, Abstract No. 791. Councilmember Lessner seconded the motion, and the motion was unanimously approved. The final plat was approved with the condition that an appraisal of the property be performed for its predevelopment value to establish the amount of cash in lieu of parkland.

EMPLOYEE HEALTH INSURANCE PROPOSALS: Consider, discuss and take any necessary action on accepting proposals for Town of Fairview employee health related insurance plans.

Town Manager Couch presented agenda item 7 (f) on accepting proposals for Town of Fairview's employee health related insurance plans.

Ms. Couch stated that the town pays 100 percent of the cost for health, dental and vision coverage to town employees, however, the town provides no cost contribution for spouse and dependent care coverage, this is solely paid for by the town employees. Ms. Couch stated that while the town saw a 23 percent increase in dependent care coverage from our current provider, BlueCross BlueShield of Texas, for the upcoming year, in prior years they have typically been fair with the Town in regards to increases. Ms. Couch stated that due to this particular large increase, staff did thoroughly evaluate other health insurance options.

Ms. Couch explained that the town has held BlueCross BlueShield of Texas for employee health insurance for more than ten years and that of the many health insurance bids received by the town, the only other competitive bid as with Aetna. Ms. Couch stated that while Aetna was more affordable, it has fewer benefits and a less expansive network. Ms. Couch stated that staff recommended staying with BlueCross BlueShield for health insurance for the time being and reevaluating next year.

Ms. Couch stated that staff recommended changing providers for Dental and Vision coverage to MetLife. Ms. Couch continued that the only other competitive offer was from Humana, but as that company was recently acquired, the town does not know what changes it could soon undergo.

Ms. Couch introduced Jack Reaves and Brad McEowen of The Reaves Agency, the town's insurance broker, to answer questions.

Mayor Culbertson asked what the change in the cost to employees is for their dependents year over year. Mr. McEowen stated dependent cost has increased 30 percent versus only 23 percent for employees. Mr. McEowen stated that is consistent with similar employers of our size.

Ms. Couch asked Mr. McEowen to explain the difference between Affordable Care Act plans and non-ACA plans. Mr. McEowen explained that one of the Town's plans with BlueCross BlueShield is grandfathered to before the Affordable Care Act and two are "grandmothered" plans, meaning they were created after the ACA was created but before most changes went into effect. Mr. McEowen explained that these grandfathered plans have cost advantages to the town, but if the town ever leaves them, the town cannot go back to them later.

Councilmember Adler asked how much of this rate increase is systemic across the industry and how much was just affecting Fairview. Mr. McEowen stated that the trend is about 1 percent per month, 12 percent increase in 2014-15 against all small groups; he continued that the other 11 percent is due to the Town's claims and age increases.

Councilmember Samuels asked if the Town's plans are comparable with other towns. Ms. Couch responded that as a small group, it is difficult to offer competitive pricing but the Town added the high deductible plans in order to offer better pricing to those with dependents. Ms. Couch clarified for Councilmember Samuels that it is often better coverage than offered by other towns.

Councilmember Samuels asked if the cost increase was budgeted. Ms. Couch said the increase was budgeted.

Councilmember Powell made a motion to approve staff's recommendation to contract with BlueCross BlueShield for Town of Fairview employee health insurance and Met Life for employee dental and vision insurance. Councilmember Adler seconded the motion, and the motion was unanimously approved.

BOARDS/COMMISSIONS: Discuss boards and commissions and take any necessary action.

Councilmember Samuels made a motion to reappoint Brad Northcutt as the Planning and Zoning Commission Chairman. Councilmember Lessner seconded the motion and the motion was unanimously approved.

Councilmember Hendricks made a motion to appoint Scott Almy as a member of the Planning and Zoning Commission. Councilmember Adler seconded the motion and the motion was unanimously approved.

Councilmember Powell made a motion to appoint John C. Cox as a member of the Planning and Zoning Commission. Councilmember Adler seconded the motion and the motion was unanimously approved.

CITIZEN INPUT:

No citizens wished to speak.

REPORTS FROM STAFF:

- a) Council was given documents regarding the monthly financial report for the period ending July 31, 2015.
- b) Ms. Couch gave an update on the upcoming county commissioner's meeting regarding the County Radio System.
- c) Mr. Chancellor provided an update regarding Stacy Road.

Ms. Couch announced that this was Mr. Schmidt's last council meeting as he is moving on to another position. The Mayor and Council thanked Mr. Schmidt for his service.

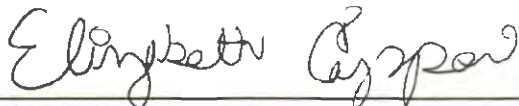
Ms. Couch provided an update on the upcoming Gus Macker 3-on-3 basketball tournament.

Mr. Dunlap stated that Wild Salsa should be opening in the Village at Fairview by the end of September. Mr. Dunlap provided an update on the 5K race.

Mayor Culbertson adjourned the meeting at 8:17 p.m.



Henry Lessner, Mayor Pro Tem



Elizabeth Cappon, Town Secretary