

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 4th day of February 2016 the City Council of the City of Corinth, Texas met in Regular Session at 7:00 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Sam Burke
Joe Harrison, Mayor Pro-Tem
Scott Garber
Lowell Johnson
Don Glockel

Members Absent:

None

Staff Members Present:

Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Director of Planning and Development Services
Jason Alexander, Economic Development Director
Cody Collier, Acting Public Works Director
Curtis Birt, Fire Chief
Debra Walthall, Police Chief
Caryn Riggs, Asst. Finance Director
Kim Pence, City Secretary
Shea Rogers, Technology Services Manager
Debra Drayovitch, City Attorney

***NOTICE IS HEREBY GIVEN** of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting to order at 7:00 P.M.

CONSENT AGENDA:

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on a resolution reviewing and adopting the Investment Policy for the City of Corinth.

Councilmember Glockel – pulled item #1 for discussion.

2. Consider and act on a resolution reviewing and adopting the Investment Policy for the Corinth Crime Control & Prevention District.
3. Consider and act on a resolution reviewing and adopting the Investment Policy for funds for the Corinth Economic Development Corporation.

MOTION made by Councilmember Johnson to approve items #2, #3 of the Consent Agenda as presented. Seconded by Councilmember Burke.

Councilmember Glockel – what I am going to talk about on Consent item #1 somewhat applies to all.

AYES: Johnson, Harrison
NOES: Burke, Garber, Glockel
ABSENT: None

MOTION FAILED

Council discussed all 3 items on the Consent Agenda.

Councilmember Glockel – if you go to Sections 1, 2, 3 and 4 of the Resolution, in Section 2 it states “the Director of Finance is hereby designated as the City’s primary investment officer to perform the functions required of her”. “The investment officer is hereby authorized to perform the functions required of her under the Investment Policies and Chapter 2256”. This sentence is referring to one of the same person and I would like to recommend to remove under Section 2 “the functions required of her” in the first sentence. Remove the second sentence “The investment officer is hereby authorized to perform” and for Section 2 to state the following: “That the Director of Finance is hereby designated as the City’s primary investment officer to perform the functions require of the primary investment officers under the investment policies of Chapter 2256”. It is one person and is designating what their title is and what their requirements are and whether it be he or she is not important.

So with those changes recommended it should read as the Director of Finance is hereby designated as the City’s primary investment officer to perform the functions required of the primary investment officer under the investment policies and Chapter 2256.

Councilmember Burke – agrees but would like to change to add “as hereby authorized” to perform and finish as Councilmember Glockel suggested.

That the Director of Finance is hereby designated as the City’s primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the investment policies and Chapter 2256.

MOTION made by Councilmember Glockel to adopt the policy for the City of Corinth. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED AS AMENDED

Councilmember Glockel made a Friendly Amendment to make Section 2 state the following: That the Director of Finance is hereby designated as the City’s primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the investment policies and Chapter 2256. Seconded by Councilmember Burke.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

Councilmember Glockel – in Section 6 Part C, Section C is very fragmented. It talks about the different players in the finance committee and who is responsible for what and I don’t think that was the intent here.

Lee Ann Bunselmeyer, Acting City Manager - I agree it does seem a bit fragmented. The intent for this paragraph is the Director of Finance is the primary responsibility and is your investment officer, as the Director of Finance I do have a staff member that handles all the day to day activities for the investment portfolio but I am still responsible for everything that individual does. When this was written even though I am the primary investment officer, I report to the City Manager and therefore they also have some responsibility over that. I am not sure why we put in there “or the City Manager’s designated representative” I do not believe that needs to be there and we can strike the last sentence in there because ultimate responsibility for those transactions lies with the staff. We do provide the reports to an investment committee but that investment committee does not have decisions on those investments, their decisions are what we are allowed to invest. All I need in here is the authority to delegate the investment authority to a secondary staff member for the day to day activities and strike the last sentence.

Councilmember Glockel – I think what the intent was the Director of Finance or a designated representative may just be in the wrong place.

Lee Ann Bunselmeyer, Acting City Manager – should read as “That the Director of Finance shall be designated as the primary investment officer for the City and shall be responsible for any investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase in the investment program to a secondary investment officer”. Both the Director of Finance and the designated secondary investment officer are responsible for daily investment decisions and activities.

Councilmember Glockel – I believe if you take out everything in red in Section 6 C and drop the last sentence it will be close. It still will be a little fragmented but you are not going to have oversight that has no control on the policy.

Councilmember Glockel made a Friendly Amendment to read as it is written with the exception of the red will be deleted “or the City Manager’s designated representative” and also delete the entire last sentence. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

MOTION made by Councilmember Johnson to approve items #2 and #3 on the Consent Agenda with the same amendments as placed on Consent Agenda item #1. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

CITIZENS COMMENTS:

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizens Comments made.

4. Consider and act on a Joint Election Agreement and Contract for Election Services with Denton County for the May 7, 2016 General Election.

Lee Ann Bunselmeyer, Acting City Manager – this is a contract for Election Services with Denton County for roughly around \$4,000. We are asking for approval of the contract.

MOTION made by Councilmember Garber to approve the Joint Election Agreement and Contract for Election Services with Denton County for the May 7, 2016 General Election. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

5. Consider and act on a Resolution ordering a Joint General Election with Denton County to be held on May 7, 2016 to fill the offices of Councilmember Places, 1, 3, and 4; and establishing procedures for that election and providing an effective date.

MOTION made by Councilmember Glockel to approve a Resolution ordering a Joint General Election with Denton County to be held on May 7, 2016 to fill the offices of Councilmember Places, 1, 3, and 4; and establishing procedures for that election and providing an effective date. Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

6. Consider and act on an Ordinance for the City of Corinth ordering a Special Election to be held on May 7, 2016 allowing voters to determine the reauthorization and levy of a sales and use tax for street maintenance; as well as designating a polling place, providing for notice, providing for early voting, and providing an effective date.

Item #6 was pulled from the Agenda.

7. Consider and act on the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lake Lewisville Army Corps of Engineers.

Cody Collier, Acting Director of Public Works - The City of Corinth entered into a Lease Agreement with the Lake Lewisville Army Corps of Engineers for the use of the Elm Fork Trail on February 8, 2010 (Lease No. DACW63-1-10-0523). The Lease was set to be renewable for a term of four (4), five (5) year option periods (totaling 20 years).

The lease expired and was not renewed in December of 2014. In late 2015, staff began working for the renewal of the lease and met with representatives from the Army Corps to discuss concerns and terms within the lease pertaining to maintenance and projects outlined within the scope of the lease.

The Lewisville Lake Army Corps representatives agreed the lease was far more than was actually needed for use of a trail and agreed to work on a new lease over the course of the 2016 year with Corinth staff.

The renewal of the current lease is with the terms of Executive Order 13658 pertaining to paying the applicable minimum wage for contractors or employees who may be hired to work on the trail, and changing the renewable terms of the lease which is now set to expire on December 31, 2016. This has been done to grant Corinth legal access to utilize the Elm Fork Trail for the remainder of this calendar year while a new and more appropriate lease is created granting a structural easement for the equestrian bridge (located near Oak Bluff Drive) and the limits of the actual trail. The Lease being created this year, appropriately represents the needs of the trail, and removes the work and maintenance requirements on Army Corps property and is scheduled to be ready by December 2016 to continue uninterrupted continuity and use of the trail in the future.

Staff recommends approval of the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lewisville Lake Army Corps of Engineers for the remainder of the 2016 calendar year.

MOTION made by Councilmember Johnson to approve the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lake Lewisville Army Corps of Engineers as presented. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

8. Consider and act on a Resolution authorizing the Texas Coalition for Affordable Power, Inc. (TCAP) to negotiate an electric supply agreement for five years for deliveries of electricity effective January 1,

2018; Authorizing TCAP to act as an agent on behalf of the City to enter into a contract for electricity authorizing the City Manager, City Manager's Designated Representative, or Mayor to execute an electric supply agreement for deliveries of electricity effective January 1, 2018 and committing to budget for energy purchases in 2018 through 2022 and to honor the City's commitments to purchase power for its electrical needs in 2018 through 2022 through TCAP.

Lee Ann Bunselmeyer, Acting City Manager - This resolution is designed to support the second of several opportunities for TCAP members to contract for electricity for the post-2017 time period. If interested in contracting for a five-year term (2018-2022) during 2016, the authorizing resolution must be passed by the governing body of the interested TCAP member by February 25, 2016. The deadline will allow definition of the load to be served under each of three different electric supply options, which must be at least a minimum of 50 megawatts. Also, the deadline will give the wholesale provider ample opportunity to lock a fixed-price, equal to or less than a specific benchmark for each ERCOT zone, before June 30, 2016. When that supply scenario is locked, each member that passed the authorizing resolution must immediately sign a contract for that power. Please Note: The draft resolution is in Word and blanks must be filled in to identify the member, the preferred supply option and several individuals by name or position who will sign the contract when the appropriate price point is reached.

Explanation of Whereas Clauses:

1) **What is TCAP?** As reflected in the fourth and seventh Whereas clauses, TCAP is a non-profit, political subdivision corporation, owned and controlled by its 171 political subdivision members, the vast majority of whom are cities. TCAP was formed in 2011 from the merger of Cities Aggregation Power Project (“CAPP”) and South Texas Aggregation Project (“STAP”), both of which were created in 2001, shortly before retail deregulation became effective on January 1, 2002. TCAP is governed by a 15 member board of directors, all of whom must be city employees or elected city officials. Typically, board members have been mayors, city managers, assistant city managers, finance directors or city attorneys.

2) **Market Benefits of TCAP:** An individual city, citizen or commercial customer can only purchase power directly from a Retail Electric Provider (“REP”) which under Texas law exists to give the impression of a competitive market. REPs cannot generate electricity, nor can they own wires. REPs are unnecessary middlemen between the wholesale and retail markets. As reflected in the second and fourth Whereas clauses, TCAP, as a political subdivision corporation, uniquely can go directly to the wholesale market. CAPP and STAP, prior to their merger into TCAP, separated contracts between a wholesale supplier and an independent REP, providing TCAP consultants with greater insight into the margins of various market participants than would be possible for most consumers. A broker or a REP would hand a form contract to an individual consumer. In the case of TCAP, no form contract is acceptable and, because of the size of TCAP’s load, both wholesale suppliers and REPs are willing to negotiate contract terms that are beneficial to TCAP members, enabling the refunds members have consistently received, special terms for adds and deletes, including an ability to add new loads at current market prices even if the market price is lower than the price of the master agreement.

3) **TCAP’s benefits regarding pricing:** TCAP’s membership consumes approximately 1.4 billion kWh annually which amounts to approximately \$100 million in revenue for the wholesale provider at current contract prices. The value of the aggregated load is extremely appealing to wholesale market participants, enabling TCAP to get the market competitive pricing at any particular moment. As reflected in the third Whereas clause, in addition to the size of its load, TCAP derives benefit from geographic diversity. TCAP members reside in all four ERCOT zones and are spread between the entire length and breadth of Texas, from Wichita Falls to Harlingen and Fort Stockton to Palestine. Since consumption is influenced by weather and since weather conditions are seldom the same across all of Texas, it is unlikely

that all TCAP members are reaching peak consumption simultaneously. If the peaks of all TCAP members were totaled, the sum would equal 313.1 MW. But a wholesale supplier looks at the peak consumption of TCAP as an aggregated load rather than the sum of the peaks of all members. TCAP's peak demand is 246.9 MW. That reduction in peak is a specific and unique benefit of aggregation. And unlike other aggregation groups that accept counties and school districts as members, TCAP has focused its membership on cities and other political subdivisions that have a relationship with cities to maintain the very favorable load factor of cities with high off peak consumption from street lights which provides favorable pricing terms.

4) History of CAPP, STAP, TCAP pricing: As reflected in the fifth and eighth Whereas clauses, aggregated cities have historically been interested in flat, fixed-price, full-requirements contracts and price stability. The resolution under consideration maintains that goal for a five-year period at a price much lower than the current contract price. In 2002, CAPP and STAP were able to obtain prices for energy at 4 cents per kWh. Very quickly after retail deregulation was implemented, natural gas prices started to rise, and they continued on an upward trend until late 2008. In late 2008, CAPP cities were paying approximately 13.5 cents per kWh. Fear that natural gas price volatility would continue to result in high electricity rates, CAPP cities were excited to lock-in long term rates beginning in 2009 that were significantly lower than prices experienced in the 2007-2008 time frame. STAP cities experienced their highest rate in 2006 at slightly more than 9 cents per kWh. STAP cities saw prices drop to around 7.8 cents per kWh in 2008 and were happy to find a contract that would stabilize prices in the 7 to 8 cent range for an extended period. When CAPP and STAP members signed new contracts in late 2008, no one could have predicted that the economy was about to enter a multi-year recession and that fracking would bring a glut of natural gas to a market with reduced demand, putting natural gas and electricity prices into a downward trend. Fortunately, gas prices have continued to drop and now TCAP members have an opportunity to again capture rates in the range of, and hopefully below, 4 cents per kWh.

5) Contract Requirements: As explained in the tenth Whereas clause, there is no legal requirement that a city engage in a competitive bidding process prior to contracting for electricity. The primary expectation of contracting for wholesale energy in a deregulated energy market is that a purchaser sign a contract accepting a particular offered price within 24 hours of receipt of the offer. NYMEX gas futures prices change daily, and since gas prices drive electricity prices, it is unlikely that any given price quote for wholesale electricity during a given period will remain open for more than a day. As explained in the ninth Whereas clause, TCAP members are expected to immediately execute a contract once TCAP's supplier is able to lock in a price at or below the benchmark prices specified in the resolutions for a five-year period commencing January 1, 2018. That is why Section 2 of the resolution requires the naming of specific individuals with whom TCAP can correspond and provide a contract for signing when appropriate.

6) Resolution's Objective: As explained in the eleventh thru fourteenth Whereas clauses, after the size of the load for the 2015 contract opportunity is defined by February 25, 2016, TCAP's supplier will look for an opportunity to lock prices for the five-year term at or below specified benchmarks (4.1 – 4.25 cents per kWh). That may happen by the second week of March, but if it appears that prices are trending downward, TCAP will direct its designated supplier, NextEra, to daily monitor the market to hopefully capture a price under lower than benchmarked prices. The window of opportunity for capturing a reasonable price at or below the benchmarks will expire by June 30, 2016. TCAP will develop another supply opportunity in the fall of 2016 for any members not contracting in this offering.

7) TCAP benefits to the consuming public: Whereas clause six references TCAP becoming a forceful voice for consumer protections and market reform to benefit the public as well as political subdivisions. When CAPP and STAP merged in 2011, one of the guiding principles established in meetings with members and through subsequent board priority-setting meetings was that TCAP should

advocate for reforms in the market that would enhance competition and benefit the general public. TCAP has become the closest thing to a consumer advocate that exists in the deregulated marketplace on both the wholesale and retail sides of the business. TCAP membership not only provides political subdivisions with resources to monitor markets, capture reasonable prices and best available terms, stabilize budgets, address problems with invoices and help with governmental reports, provide best of class portals to understand consumption patterns, membership also affords an opportunity to represent to constituents that they have an advocate on their behalf.

Choice of Supply Option

Whereas Clause 13 identifies three different supply options that TCAP has arranged as choices for each member.

Option 1 is a fixed price for all consumption regardless of time of day. The price will not exceed 4.1 cents per kWh in the North and West ERCOT zones. It will not exceed 4.25 cents per kWh in the Houston and South zones. The actual price is likely to be less than the benchmark prices. The prices will become effective January 1, 2018. Given that these prices are to be locked in 2016 and will not expire until December 31, 2022, they are reflective of the lowest prices for electricity experienced since the retail market was deregulated January 1, 2002. Generally speaking, there ought to be an expectation that the price of energy will climb marginally for each year of the contract term beyond two years. The possibility of locking-in energy prices at or below 4 cents per kWh for a period that terminates in seven years is truly remarkable based upon the history of deregulation.

In the spring of 2015, TCAP consultants received indicative fixed-prices around 4.5 cents per kWh. They then developed two supply options to the fixed price full requirements contract that offered attractive savings opportunities. Both Options 2 and 3 have variable components related to the energy spot market. While the average spot price in the past three years has been \$32.14/Mwh (2013), \$38.50/Mwh (2014), \$25.53/Mwh (2015), respectively, it is important to note that spot market prices can change every 15 minutes, therefore it is impossible to provide members a precise price for Options 2 and 3. While they provide an opportunity for savings off of the benchmarked prices for Option 1, savings cannot be guaranteed, and thus Option 2 and 3 involve risk to that does not exist with Option 1. A TCAP member that is completely risk adverse should select Option 1.

Option 2 fixes a price for the peak usage period and then turns to the spot market for all off-peak usage. When TCAP was developing these products in 2014, there was a large enough gap between fixed price options and spot prices that this option looked very attractive. Now, with market prices at historic recent term lows, both spot prices and fixed prices have fallen and their price differential has shrunk to the point that future savings from the spot market may not be as great as the risk of future price increases.

Option 2 was developed with the anticipation that spot prices during the off peak period would be in the range of \$10/MWh to \$40/MWh (\$0.01-\$0.04/kWh) over time for spot purchases. Our latest quotes for fully fixed priced products (Option 1) includes off peak pricing fixed at under \$20/MWh. These low Option 1 fixed prices for off peak usage may make it harder for future off peak spot prices to create additional savings under Option 2 over time even though the customer will be incurring market price risk.

Option 3 begins with the purchase of a block of power to cover the base use of all members who commit to this option. Block power, since it is a firm commitment 24 hours a day, is the cheapest form of energy available in the wholesale market. Daytime peak consumption will be partly covered by a fixed price for solar power with all other consumption supplied by the spot market.

In considering Option 2, TCAP consultants would tell you that with current prices about a half cent less than the price that existed when Option 2 was conceptualized last spring, it will be difficult for Option 2 to generate savings sufficient to justify its selection. Option 3 with its majority reliance on the cheapest form of energy has a greater probability than Option 2 of producing savings over Option 1. But again, with such low Option 1 fixed priced products now available to TCAP members, and since there are no guarantees that Options 2 or 3, which utilize spot market pricing, will remain as attractive as they were even a few months ago.

Explanation of "Be It Resolved" Sections

Section 1. Authorizes TCAP to submit the members load, along with the load of other authorizing members, to be aggregated into a pool by TCAP's wholesale supplier for a contract commencing January 1, 2018 and terminating December 31, 2022 with the understanding that the fixed, full-requirements price under Option 1 must not exceed 4.1 cents per kWh in the North and West zones and must not exceed 4.25 cents in the Houston and South zones.

Section 2. Sets conditions precedent that the aggregated load exceed 50 MW, that the resolution be passed before February 25, 2016, and that NextEra has until June 3, 2016 to lock in a fixed price for the aggregated load that does not exceed benchmark prices. It also requires the designation of a specific individual, by name or title, who are authorized to sign a contract within 24 hours of submittal, assuming the conditions have been met.

Section 3. Consistent with the last two Whereas clauses, this section commits the member to budget for and approve funds necessary to pay for the member's proportionate share of the aggregated load that TCAP commits to with NextEra. TCAP will contract with NextEra based upon representations of authorizing members, each of whom will be provided with a Commercial Electric Service Agreement ("CESA") with GEXA, the current REP, that extends current retail service terms with the lower wholesale price arranged with NextEra for the 2018-2020 time period.

Section 4. In order for TCAP to be informed of the passage of the resolution so that the member's load can be aggregated by NextEra, this section specifies that a copy of the resolution should be sent to TCAP's Executive Director and General Counsel.

Staff recommends approval of the Resolution authorizing the Texas Coalition for Affordable Power, Inc. to negotiate an electric supply agreement and the City Manager, City Manager's Designated Representative, or Mayor to execute an electric supply agreement for five years for delivery of electricity effective January 1, 2018 and participating in supply Option 1.

Councilmember Glockel – the 4.1 is per kilowatt hours then is delivery on top of that? Most power bills have a delivery fee.

Lee Ann Bunselmeyer, Acting City Manager – you are correct, you are going to have your regular delivery charges on top of that. The actual kilowatt charge would go down from 7.5 to less than 4 and that is where your savings are is on the charges per your kilowatt hours.

Debra Drayovitch, City Attorney – that is correct. Oncor will still have a delivery component and this contract will not affect that.

Councilmember Glockel – and we are reasonable sure the 7.5 we are paying today is strictly kilowatt hours and not kilowatt plus delivery?

Lee Ann Bunselmeyer, Acting City Manager – yes.

MOTION made by Councilmember Burke to approve a Resolution authorizing the City Manager and the Mayor to sign a contract as negotiated by TCAP within the 24 hours under Option #1 as presented by the City Manager. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED AS AMENDED

Debra Drayovitch, City Attorney - The Resolution also says the City Manager's representatives so if you would like to add that to your motion that should be clarified.

Councilmember Johnson made a Friendly Amendment to add the City Manager's designated representatives. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

9. Consider and act on a resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation.

Lee Ann Bunselmeyer, Acting City Manager – this item will allow our bond rating attorneys and our Financial Advisors to publish a Notice of Intent to issue a 2016 Certificates of Obligation for \$15 million. The \$15 million is the highest amount that the City Council can authorize, however when you actually go to authorize the debt in April 21, 2016 you can choose an amount below that amount. The \$15 million is just the maximum that you can consider.

The projects that the City Council has identified are as follows:

Police Facility
Fire Facility
Street Improvements to Lake Sharon
Replacement of the HVAC to the City Hall Building

In order to allow our Council to have some flexibility with those bond fund monies we have done the Notice of Intent to be a little broader so that in case you do not utilize the full \$15 million for the projects identified it will give you the authority to move it to other projects that you have prioritized. We have included the following language in the Notice of Intent.

- (i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation, drainage, signalization, landscaping, lighting and signage;
- (ii) constructing and equipping improvements and renovations to City Hall;
- (iii) acquiring, improving and equipping a public safety facility for the police and fire

departments;

- (iv) constructing and equipping a new fire station and improvements to existing fire stations;
- (v) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system; and
- (vi) paying legal, fiscal and engineering fees in connection with such projects.

Mayor Heidemann – you said that our maximum is \$15 million and in the Certificate of Obligation you have \$15,310,000.

Lee Ann Bunselmeyer, Acting City Manager - There is issuance cost associated with the issuance of the debt and so the \$15 million plus any issuance costs is included in the notice.

MOTION made by Councilmember Burke to resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation as presented. Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

10. Hold a discussion and give staff direction regarding the Lake Cities Fire Department future projects.

Item was pulled from the agenda.

11. Consider and act on nominations, appointments, resignations of Place 2 and Alternate 2 of the Planning and Zoning Commission.

Lee Ann Bunselmeyer, Acting City Manager – Mr. Velde was appointed to Place 2 of the Planning and Zoning Commission in November and he has submitted his resignation from that position and has requested consideration for an Alternate position if Council chooses. As discussed in a recent Workshop with the Council the process would be to consider your alternates first for that position and then any new applicants at that point.

Mayor Heidemann opened nominations for Place 2 to the Planning and Zoning Commission.

Councilmember Johnson nominated Haven Hendrik to Place 2 on the Planning and Zoning Commission. Seconded by Councilmember Glockel

Mayor Heidemann closed nominations.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

Mayor Heidemann opened nominations for Alternate #2 to the Planning and Zoning Commission.

Councilmember Johnson nominated Breien Velde for the Alternate 2 position on the Planning and Zoning Commission. Seconded by Councilmember Garber
Mayor Heidemann closed nominations.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

12. Receive updates on Corinth Economic Development Corporation projects.

Councilmember Burke asked Mr. Alexander if he had any new information to present to the Council.

Jason Alexander, Economic Development Director – an update from the February 1, 2016 Economic Development Corporation meeting, one of the things that we did discuss was the Buxton Retail Strategy and part of that was understanding the demographics that are in our community as well as understanding how we can use that to help us move forward in terms of attracting businesses and a restaurant front. As it stands right now is that the census perceives the City of Corinth and that is having a population of less than 20,000. Because of that we can actually go after retail and restaurants. Once the census comes back in on 2020 our population will be over 20,000 meaning that in accordance with the Texas Local Government Code, we will be limited in the projects that we can go after in terms of Economic Development.

The second item was on the Polikov Zone Ordinance, we feel that we are close as a staff and working closely with the Planning and Development Department to put together a code that we think will be ready for presentation to City Council, Planning and Zoning Commission as well as Corinth Economic Development Corporation and hope to have something within the next two weeks that should be presentable and then staff will get together internally and figure out an appropriate date to have a joint session with the Planning and Zoning Commission, Economic Development and City Council.

Another key item was that staff was giving direction to move forward with preparing a request for proposal for revamping the City's Municipal Brand and we are working on that. Part of the rationale behind that was to go ahead and start on the request for proposal so that when funding came in for next fiscal year we will already have that part of the process completed and we can move forward with selecting a consultant to help us on those efforts. Finally, the Corinth Economic Development Corporation did approve a Performance Fund for \$150,000 for DATCU unfortunately we did not have enough funding in our budget for incentives. Part of the Performance package for DATCU is that upon the issuance of Certificate of Occupancy the Economic Development Corporation would have to expend \$150,000 and that is to help alleviate some of the permitting costs in association with that project and so with that I will stop there.

Councilmember Burke – one of the other thoughts of doing the branding study are seeing what the costs to do a branding study now is in addition to the Economic data Buxton is providing us with psychographic which tells us a lot about what the likes and dislikes of our populace are which may tie in nicely with branding.

To clarify we have \$150,000 in the Economic Development Corporation we just did not have it in the budget and that is probably partly a function of not having an acting director for several months.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS:

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

Councilmember Johnson – the Lake Cities Chamber of Commerce has their upcoming annual banquet I believe is on February 25 and would encourage all the people to come out to this event. The event will be held at the Global Spheres Center this year.

Mayor Heidemann recessed the Regular Session at 8:12 P.M. * See Executive/Closed Session.

EXECUTIVE SESSION:

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Council met in Executive Session from 8:30 P.M until 9:15 P.M.

- **First Glendora Partners, Ltd. dba Impact Outdoor Advertising Co. v. City of Corinth.**

Consultation with the City Attorney regarding legal issues associated with the matter listed under Section 551.072.

- **Receive information and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property located in Corinth along the west side of I-35 on FM 2181.**

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Manager and Chief of Police.**
- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Attorney.**

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

There was no action taken from Executive Session.

Mayor Heidemann adjourned the meeting at 9:16 P.M.

AYES: All

Meeting adjourned

Approved by Council on the 17 day of March , 2016.

Kimberly Pence
Kimberly Pence, City Secretary
City of Corinth, Texas