

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

On this the 30th day of March, 2017 the City Council of the City of Corinth, Texas met in a Special Session at the Corinth City Hall at 5:30 PM, 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:

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

Staff Members Present: Bob Hart, City Manager
Lee Ann Bunselmeyer, Finance Director
Debra Walthall, Chief of Police
Greg Wilkerson, Asst. Chief of Police
Fred Gibbs, Planning and Development Director
Curtis Birt, Fire Chief
Michael Ross, Deputy Fire Chief
Cody Collier, Public Works Director
Mack Reinwand, City Attorney
Kimberly Pence, City Secretary
Jason Alexander, Economic Development Director
Shea Rodgers, Technology Service Manager

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting to order at 5:30 p.m., Councilmember Garber delivered the invocation and led in the Pledge of Allegiance.

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 Unified Sign Plan for Bill Utter Ford Addition in the City of Corinth, Denton County, Texas. Having a physical address of 4901 IH 35E.

Mayor Heidemann recused himself from any discussion on item #1.

Councilmember Harrison - pulled items 1, 2, and 3 from the Consent Agenda.

Councilmember Harrison - I noticed on the signage the wall is 39 inches in height what does the unified Development Code specify?

Bob Hart, City Manager - 24 inches.

Councilmember Harrison - on the 24 inches, we made provisions and we have accepted other signage greater than 24 inches. What was our maximum?

Fred Gibbs, Planning and Development Director - it may have been in the range anywhere from 30 inches to close to 40 inches. I believe CVS was one that was 36 inches.

Councilmember Harrison - why don't we change the Unified Development Code (UDC) so we don't have to keep coming back to Council and approving these things.

Bob Hart, City Manager - we are going to bring you a number of recommended changes in the UDC and I think the signs along I-35 will be one of them.

MOTION made by Councilmember Johnson to approve item #1 on the Consent Agenda.
Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

2. Consider and act on a Resolution authorizing the Corinth Economic Development Corporation to enter into a contract for service with CBRE Inc. to perform a hotel feasibility study in an amount not to exceed \$20,000.00.

Councilmember Harrison - I have nothing in here on the CBRE, Inc. what are their qualifications?

Jason Alexander, Economic Development Director - my apologies for not including that in your packet. CBRE is a leading expert in hospitality industry as well as in commercial development overall. They have quite an extensive presence at conferences like ICSC as well as helping private developers and other municipalities with securing hotels.

Bob Hart, City Manager - when we called the hotel developer that I have done work with and asked they were quite complimentary of them as well. They said the study would be very helpful in helping us in the community.

3. Consider and act on the approval of an Interlocal Agreement with Region VIII Education Service Center for cooperative purchasing on the Interlocal Purchasing System (TIPS) Program.

Councilmember Harrison - what is this program do for us?

Bob Hart, City Manager - there are probably 10 or 15 consolidated purchasing agreements. Organizations that have these purchasing agreements around the state and I always like to have several of them available when we are looking to buy projects or items for bid. I always like to check the bid numbers against 4 or 5 of these companies so that we can be assured that we are getting the best prices. TIPS is a very strong outfit because that is where all the schools buy products through and it is especially helpful in buying vehicles. It is kind of like Buyboard or HGAC, They go out for bid for products and we can actually buy those products off their bid so it helps us with our process and cost savings. It is one more tool that we have at our disposal.

MOTION made by Councilmember Harrison to approve items #2 and #3 of the Consent Agenda. Seconded by Councilmember Garber.

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

MOTION CARRIED

4. Consider and act on a resolution of the City of Corinth suspending the April 21, 2017, effective date of ONCOR Electric Delivery Company's requested rate change to permit the City time to study the request and to establish reasonable rates.
5. Consider and act on a Resolution nominating one candidate to a slate of nominees for the Board of Managers of the Denco Area 9-1-1 District.

MOTION made by Councilmember Harrison to approve items #4 and #5 of the Consent Agenda. Seconded by Councilmember Johnson.

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.

BUSINESS AGENDA

6. Consider and act on a contract amendment for Construction Manager at Risk Services to accept the Guaranteed Maximum Price for the construction of the Joint Public Safety Center and Fire Station.

Bob Hart, City Manager - I will be talking today about the combined totals and will use that as a reference. When we talk about the Guaranteed Maximum Price, this is the contract amount with Sedalco. Sedalco received bids for the construction of the Joint Public Facility Center and Fire Station on Wednesday, March 15th. Based on the bids received, Sedalco has established a guaranteed maximum price of \$8,857,897. The city's responsibility in terms of the work that has to be done to get into these buildings is just over \$1 million dollars. The total project cost is about \$9.9 million dollars. We have \$7.7 million available and the short fall is just under \$2.2 million.

The base bid that Sedalco received is the \$8.2 million and then we have the bid alternates. The mill work is dealing with the cabinets. The site fencing and gates will make the back area a secure area for the police vehicles. It does not interfere from folks entering the fire station from FM 2181 or from the back side. The holding Cells and Sallyport has been discussed at some length. The four fold bay doors that is using the inward folding doors instead of overhead doors. These doors are more costly but they have much less maintenance and they do not wear out do from a costing point these will pay for themselves in a few years.

Description	Joint Public Safety Center (Renovation)	Fire Station (New Construction)	Combined Total (Both Facilities)
GMP Estimate (90% Progress)	\$3,838,203	\$4,383,063	\$8,221,266
ALTERNATES			
Millwork	\$69,604		\$69,604
Site fencing and gates	\$23,476		\$23,476
Holding Cells and Sallyport	\$402,231		\$402,231
Monument Sign	\$21,320		\$21,320
Four Fold Bay Doors		\$120,000	\$120,000
Total Alternates	\$516,631	\$120,000	\$636,631
GMP Estimate (Including Alternates)	\$4,354,834	\$4,503,063	\$8,857,897
Project Budget	\$3,600,000	\$4,100,000	\$7,700,000
Project (Shortfall)/Excess Budget	(\$754,834)	(\$403,063)	(\$1,157,897)

When we go into the owner responsibility, this is the portion of the building where we have some responsibilities and I think the intention from the beginning was that we have Sedalco doing the bulk of the building but there would be some responsibilities that we have but it is set up this way so that we can save some money and we could deal with these directly.

Because the public safety building is an existing building there is no impact fee there but there is an impact fee on the fire station because that is a new building. This is being treated like any other building going up in town so we are not exempting ourselves from any of the requirements from other businesses.

Also, the data cables, network switches, furniture, appliances, extractor, air fill station, materials testing and third party air monitoring are excluded from the construction contract and are the responsibility of the city. In addition the building will require furniture, appliances, an air tank fill station, extractor, and evidence room equipment.

The furniture is an estimate that we have in here and the way we arrived at that is looking at the amount of square footage and the number of offices to use to make estimates and that what's been done here. We will come back to you as part of the budgeting process.

Description	Joint Public Safety Center (Renovation)	Fire Station (New Construction)	Combined Total (Both Facilities)
Impact Fees		\$24,171	\$24,171
Tap Fees	\$2,315	\$5,365	\$7,680
Data Cabling	\$69,750	\$5,250	\$75,000
Network Switches	\$51,410	\$4,089	\$55,499
Materials Testing	\$15,000	\$45,000	\$60,000

Air Monitoring	\$3,000		\$3,000
Residential Appliances	\$7,000	\$15,900	\$22,900
Refrigerators and Evidence Lab Fume Hood	\$21,500		\$21,500
Extractor		\$19,000	\$19,000
Air Fill Station		\$40,000	\$40,000
Furniture	\$550,000	\$50,000	\$600,000
Total	\$719,975	\$208,775	\$928,750

The discussion here now is how we deal with that number and the recommendation that I would make to you in this regard is we have a 2007 debt issue partly GO Bond and partly Certificates of Obligation that needs to be refunded. We would bring that to you as a refunding recommendation even if this building were not in play. This is something that needs to be done from a financial management standpoint where the interest rates differential is great enough now and the time period has passed from time of issuance to the debt so it is now eligible for refunding or refinancing.

The interest savings that will achieve in refunding this debt will free up about \$1 million dollars in debt capacity. The recommendation would be to take the furniture and pay for it out of the reserves and then look at debt financing about \$1.6 million. The reason for that is you want to make sure that your debt issue and the life of your assets match and that is the reason we are lifting the furniture out of that.

A CO is Certificates of Obligation and a GO is General Obligation Debt. The only distinction between those is a CO the City Council authorizes and a GO is voter approved. We would come back and ask the Council to do an Ordinance that would allow for the refunding and that is a typical standard in Cities because the interest rates have been low.

Councilmember Burke - are we going to be extending the length of time it takes to pay off the debt when we refinance?

Bob Hart, City Manager - typically we do not.

Lee Ann Bunselmeyer, Finance Director - they did not run it to extend it.

Councilmember Burke - do you know when that would be do if we don't refinance?

Bob Hart, City Manager - it would be 2027.

Councilmember Burke - so it will still be due 2027 or paid off in 2027 we are just changing the interest rate and we are paying some amount of closing cost to do that and the benefit is we are going to save about \$1 million dollars in interest payment correct?

Bob Hart, City Manager - it will save about \$160,000 a year in interest savings. The \$160,000 a year will service the debt for about \$1 million dollars.

Councilmember Burke - ok, the present value is about \$1 million dollars.

Bob Hart, City Manager - yes. We still have within our debt service fund we have the ability to issue about 3.5 million dollars in debt capacity. We will ask the Council to adopt a reimbursement resolution and that would be the initial step in the Certificates of Obligation (CO) and it would allow us then to capture all of the cost that we spend until the time that the CO is issued and allows us to go back and reimburse ourselves for the money that is being spent during that time period.

Mayor Heidemann - so you would take that money out of the general fund and then just reimburse it?

Bob Hart, City Manager - yes sir.

Charlie Kearns, Eikon - furniture or FF&E is what we call it, is if you turn the building upside down and shake it, it would fall out of it. Anything that is built in, screwed, glued or mortared is not considered part of FF&E and part of the capital project.

Councilmember Glockel - I still believe that number for furniture is highly inflated. We are talking about \$550,000 for the public safety. Some of these fixtures and furniture that is already in place and is part of the building and built in is not going to be part of this \$550,000 dollars.

Charlie Kearns, Eikon - generally we try to budget between \$15.00 and \$20.00 a square foot for furniture. Part of that \$15.00 to \$20.00 dollar range is how long you want that furniture to last. We did calculate that number off of 32,500 feet of total area.

Bob Hart, City Manager - we are doing the groundbreaking on the building next week and we will bring the reimbursement resolution to you on April 6th for your consideration. Construction will start around April 10th. We will come back on the May 18th meeting and ask for your consideration to approve notice of intent to the debt issuance and that is for the Certificates of Obligation.

When we do this the recommendation is when you give that notice you have to give a ceiling of the maximum amount that you could do. When you go out and issue the debt you can lower that amount so I would recommend to issue that for the public safety building and the fire station and also recommend that you include a line item in that for Lake Sharon Extension. In the interim, between the times that we authorize the issuance in July we can go out and get that bid and you will know where you actually stand with those numbers.

Councilmember Harrison - we could go ahead and issue the debt of \$8,221,266 but you are not finishing the building out the way I look at it. So if you take the \$636,631 which is what we proposed as the original proposal without doing the mill work, the fencing, holding cell and the Sallyport, the monument signs and the bi-fold doors or we could go ahead and finish the whole thing. If not and we went with the lower number in the future we are going to have to come back and add those things I just mentioned. It seems reasonable to me that we go ahead and issue the total dollar amount and get it over with.

Councilmember Garber - I have had the opportunity to be part of two budgets so far and one thing I think I have realized is when we kick things down the road a bit they become more complicated, harder to fund and more expensive and I see two Councilmembers here that have put in a lot of time and effort into this and also staff that has shown us how this could be funded. My recollection of the original budget amount that did not involve hours of calculations I think we said hey this sounds about right and it is a lot less then what we were originally presented with which in my recollection was \$25 or \$30 million so I agree with Councilmember Harrison on this.

Councilmember Glockel - I also agree with Councilmember Harrison. The committee did work really hard on this and I do appreciate the city staff, police department and the fire department has all worked on it. Charlies group with Eikon and Keith's group with Sedalco. This group cut the price of the building down from \$1.2 million down to less than \$500,000 at one point so I give them a hand they worked hard on it and now is the time to do it and do it right.

Mayor Heidemann - if we approve this tonight this locks the price is that correct?

Bob Hart, City Manager - yes.

Charlie Kearns, Eikon - I absolutely commend the process of the city staff and the Council went through and we have been very engaged since September trying to bring you every bit of value we can in the square footage that you have. You have a Guaranteed Maximum Price, our contract says that it is a cost plus a fee so there certainly is an opportunity within that guarantee maximum price as the drawings are developed now to have some savings. We are carrying some contingency for some unknown things within the guaranteed maximum price at this stage of the project and our deal with the city is if there are any savings that the city would get 100% of the savings. There is no guarantee of savings on the back end there are some things that could come up within the public safety building but to the extent that you are satisfied to what the drawings reflect and what the drawings currently show as far as how that project is going to be developed you do have a guaranteed maximum price for that amount of construction.

MOTION made by Councilmember Glockel to proceed with the funding required to fully fund the fire station and the public safety building including the cost of all the alternates of both the fire station and public safety building and fully fund Corinth's obligation to a total of \$8,857,897. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

7. Consider and act on nominations, appointments, resignations and removal of members from the Keep Corinth Beautiful Commission.

Mayor recessed the meeting at 6:19 p.m. See Closed Session.

MOTION made by Councilmember Johnson to remove David Rinaldi from Keep Corinth Beautiful Commission. Seconded by Councilmember Burke.

AYES: Burke, Garber, Johnson, Harrison, Glockel

NOES: None

ABSENT: None

MOTION CARRIED

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 Garber - I had a water leak about a week ago and I reached out to Cody Collier's department and I don't know if they know who the Councilmembers are and I would like to think that the service that I received is indicative of all the service that our citizens received and in fact it was quit extraordinary and they were out there within 15 minutes and even a follow-up visit from a manager the following day and I was impressed with that process and hope that everybody gets that same service. Thank you.

Councilmember Glockel - the little fishing lake that we have has not been functioning for a year or better. Cody Collier told me tonight that the spillway they think is sealed and it is just a matter of pulling the cap back on it and by Monday it should be 100%.

CLOSED SESSION

The City Council will convene in such executive or closed session to consider any matters regarding any of the above listed agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) 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.

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.

a. Keep Corinth Beautiful member.

Council met in Closed Session from 6:20 p.m. until 6:35 p.m.

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 closed 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 Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

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

ADJOURN:

Mayor Heidemann adjourned the meeting at 6:40 P.M.

AYES: All

Meeting adjourned.

Approved by Council on the 18th day of May, 2017.

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