

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

On this the 20th day of August 2020, the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:45 P.M., 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:

Mayor Heidemann
Sam Burke, Mayor Pro Tem
Scott Garber, Council Member
Lowell Johnson, Council Member
Tina Henderson, Council Member
Kelly Pickens, Council Member

Staff Members Present:

Bob Hart, City Manager
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director
Chris Rodriguez, Assistant Finance Director
Patricia Adams, Rockefeller, & Fort
Helen-Eve Beadle, Planning and Development Director
Jason Alexander, Economic Development Corporation Director
Cody Collier, Public Works Director
Guadalupe Ruiz, Human Resources Director
Jerry Garner, Police Chief
George Marshall, City Engineer
Brett Cast, Engineering Services Coordinator
Shea Rodgers, Technology Services Communications Manager
Lana Wylie, Interim City Secretary
Lance Stacy, City Marshall

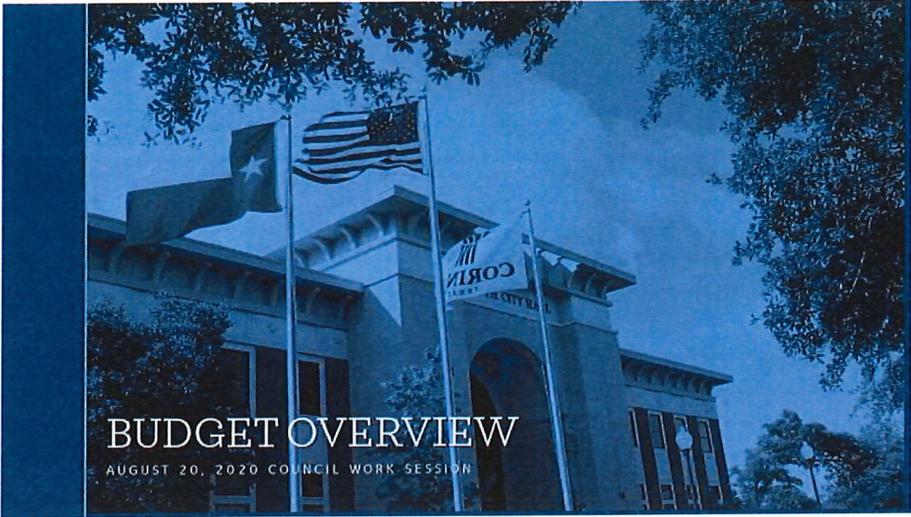
CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:46 p.m. and convened into Closed Session from 5:47 p.m. until 6:19 p.m. The Workshop Session reconvened at 6:21 p.m.

WORKSHOP BUSINESS AGENDA:

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2020-2021 Annual Program of Services and Capital Improvement Program.

Cody Collier, Public Works Director, George Marshall, City Engineer, and Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director, presented the Fiscal Year 2020-2021 Annual Program of Service. Bob Hart, City Manager, presented the Capital Improvement Program to the City Council.



Agenda

- ❖ Utility Fund Department Overview
- ❖ Storm Drainage Fund Department Overview
- ❖ Capital Improvement Program
- ❖ Budget Calendar



UTILITY FUND OVERVIEW



Utilities

DEPARTMENT BUDGET OVERVIEW

Division	FTE	2020-2021
Water	9	7,979,835
Wastewater	9	4,613,641
General Services	-	40,042
Total	19	\$12,633,518

18 Employees

70k New Program Funding

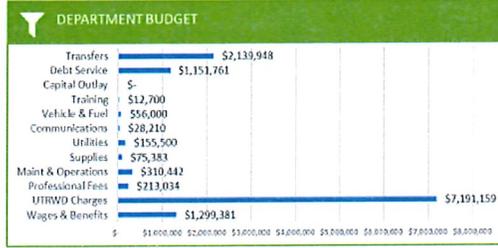
New Program Funding:

- Risk Assessment Plan - \$70,000

Proposed Budget New Program Addition
 Asset Management/Work Order system
 Integration costs - \$45,000

GOALS FOR 2020-2021

- Upgrade and replace commercial & residential meters that are 15 years or older.
- Meet State requirements for the City's public water system to be recognized with the Outstanding award, Outstanding Cross Connection Program, Innovative /Proactive Water System from TCEQ.
- Integrate pump replacement in lift stations that have pumps older than 20 years.
- Maintained a superior water rating with TCEQ.
- Perform Inflow & Infiltration testing within the 3A basin



Engineering

DEPARTMENT BUDGET OVERVIEW

Division	FTE	2020-2021
Engineering	4.5	\$558,194

4.5 Employees

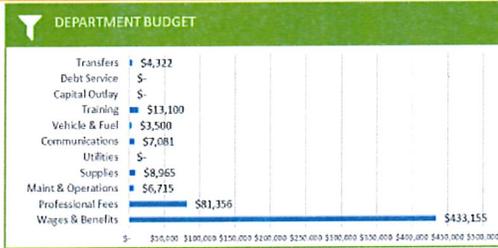
\$0 New Program Funding

New Program Funding:

- No new program funding.

GOALS FOR 2020-2021

- Complete Lake Sharon Extension from Oakmont to FM 2499.
- Begin Construction of Quail Run Water Tower.
- Begin Construction of ST18-01 Lake Sharon/Dobbs Road Realignment and 20" waterline installation.
- Begin Construction of Lynchburg Creek Flood Mitigation Project (Red Oak & Amity Village).
- Begin Construction of ST19-01 Quail Run Realignment (Dobbs Rd. to I-35E).



Utility Customer Services

DEPARTMENT BUDGET OVERVIEW

Division	FTE	2020-21
Utility Billing	4	\$462,849
Garbage	-	822,200
Total	4	\$1,285,049

4 Employees

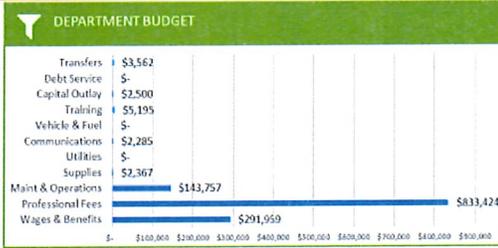
\$0k New Program Funding

New Program Funding:

- No new program funding

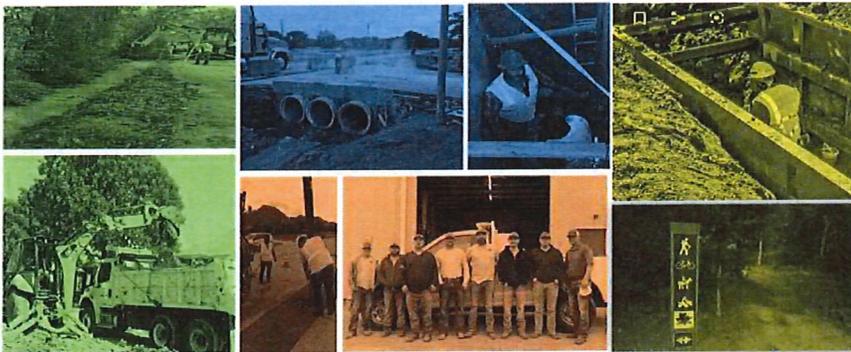
GOALS FOR 2020-2021

- Launch the RG3 customer engagement portal.
- Implement Budget Billing Program.
- Integrate Utility Billing module and new work order system for Public Works.



Utility Fund Financial Forecast

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Estimated Beginning Fund Balance	\$4,025,206	\$3,527,337	\$3,682,117	\$3,969,192	\$4,041,462
Other Revenues	1,543,766	1,712,641	1,726,674	1,573,061	1,660,498
Water - City	2,694,886	3,537,617	3,572,993	3,608,723	3,644,810
Water - UTRWD	5,453,616	4,708,104	4,755,185	4,802,737	4,850,764
Wastewater - City	2,192,357	1,946,473	1,965,938	1,985,597	2,005,453
Wastewater - UTRWD	1,210,095	2,726,706	2,753,975	2,781,513	2,809,328
Use of Fund Balance	497,869				
Total Resources	\$13,592,589	\$14,631,541	\$14,774,765	\$14,751,631	\$14,970,853
Expenditures	11,574,591	12,655,000	12,362,410	12,820,800	13,082,385
Debt Service	1,464,498	1,151,761	1,325,280	1,358,561	1,359,441
New on-going Programs					
One-time Programs	53,500	70,000			
Transfer to AMP Fund	250,000	600,000	500,000	500,000	250,000
Transfer to Rate Stabilization	250,000	300,000	300,000		
Total Expenditures	\$13,592,589	\$14,476,761	\$14,487,690	\$14,679,361	\$14,691,826
Revenues over Expenditures		154,780	287,075	72,270	279,027
Estimated Ending Fund Balance	\$3,527,337	\$3,682,117	\$3,969,192	\$4,041,462	\$4,320,489
% of Total Expenditures	25.95%	25.43%	27.40%	27.53%	29.41%
Policy Target	25.00%	25.00%	25.00%	25.00%	25.00%



STORM DRAINAGE FUND OVERVIEW



Storm Drainage

🏠 DEPARTMENT BUDGET OVERVIEW

Division	FTE	2020-21
Drainage	3	\$747,287

3
 Employees

\$0k
 New Program Funding

New Program Funding:

- No new program funding

🎯 GOALS FOR 2020-2021

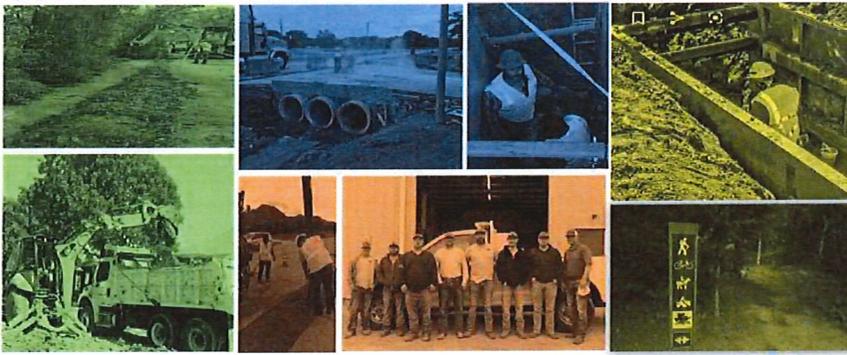
📊 DEPARTMENT BUDGET

- Continue Mosquito abatement program.
- Continue to meet or exceed TCEQ Storm Water Compliance regulations and BMP's.
- Continue public education campaign on preventing storm water pollution.

Category	Amount
Transfers	\$173,456
Debt Service	\$168,075
Capital Outlay	\$-
Training	\$2,236
Vehicle & Fuel	\$17,500
Communications	\$2,883
Utilities	\$2,500
Supplies	\$7,584
Maint & Operations	\$25,024
Professional Fees	\$139,839
Wages & Benefits	\$208,190

Storm Drainage Financial Forecast

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Estimated Beginning Fund Balance	\$370,371	\$236,776	\$248,359	\$247,539	\$252,488
Revenues	742,659	758,870	766,459	774,124	781,864
Use of Fund Balance	133,595		820		36,743
Total Resources	\$876,254	\$758,870	\$767,279	\$774,124	\$818,607
Expenditures	460,884	529,212	549,933	551,952	600,844
Debt Service	181,870	168,075	167,346	167,223	167,763
New on-going Programs					
One-time Programs	133,500				
Transfer to AMP Fund	100,000	50,000	50,000	50,000	50,000
Total Expenditures	\$876,254	\$747,287	\$767,279	\$769,175	\$818,607
Revenues over Expenses		\$11,583		\$4,949	
Estimated Ending Fund Balance	\$236,776	\$248,359	\$247,539	\$252,488	\$215,745
% of Total Expenditures	27.02%	33.23%	32.26%	32.82%	26.36%
Policy Target	25.00%	25.00%	25.00%	25.00%	25.00%



CAPITAL AND DEBT OVERVIEW



Project Name	Project Total Costs	Existing Bond Proceeds	FY21 Budget Allocation	Unfunded Project Amount
Agora District Parks & ROW	\$3,000,000	\$2,500,000	500,000	\$0
TOD West Land Acquisition <i>(Lake Sharon Extension/Wetlands Drainage)</i>	\$1,900,000	-	-	\$1,900,000
North Corinth Street	\$3,220,000	-	-	\$3,220,000
NCTC Way	\$2,500,000	-	-	\$2,500,000
Main Street	\$2,212,000	-	-	\$2,212,000
Agora Way	\$750,000	-	-	\$750,000
Lynchburg Creek Watershed	\$3,876,844	\$969,211	(Grant) \$2,907,633	\$0
Wetlands & Flood Mitigation	\$1,000,000	\$1,000,000	-	\$0
TOD North Land Acquisition <i>(Lynchburg Drainage)</i>	\$2,000,000	-	-	\$2,000,000
TX Dot 4 Corners Land Acquisition	\$1,351,000	-	\$1,351,000	\$0
Dobbs Rd Reconstruction	\$500,000	-	\$500,000	\$0
Public Safety Communication	\$172,000	-	\$172,000	\$0
Fiber Optic Line	\$150,000	-	\$150,000	\$0
TOTAL FY21 CIP	\$22,631,844	\$4,469,211	\$2,173,000	\$12,582,000



KEY TOD LAND ACQUISITIONS

- Agora District Parks
- TOD West
- TXDOT 4 Corners
- Pinnell Drainage
- Metroplex Cabinets Relocation



TOD STREET PROJECTS

- N. Corinth Street
- Main Street
- Festival Way
- NCTC Way



TIRZ – DOBBS/LAKE SHARON REALIGNMENT

- Quail Run Drive Realignment
- Dobbs Road Reconstruction
- Alignment of Lake Sharon Boulevard and Dobbs Road
- Quail Run Water Tower



TIRZ/TOD DRAINAGE PROJECTS

- Lynchburg Creek
- Wetlands & Flood Mitigation



YEAR 2 CAPITAL PROJECTS



YEAR 3 CAPITAL PROJECTS

Move the following Year 3 Projects to 5 years+:
 Old Hwy 77 Mill/Overlay, Lion Blvd, Vintage Drive

City Manager Hart explained to City Council the bond issuance schedule. The \$9.7 million debt to be issued in December would benefit the city, based on the interest rate. Mayor Pro Tem Burke inquired about the savings on accelerated debt. Mrs. Bunselmeyer confirmed approximately \$1 million interest savings.

BOND ISSUANCE SCHEDULE

	\$9.7 Million Issuance December 2020	\$2.9 Million Issuance January 2021
Council approves Publication of Notice of Intent	Sept 3	Nov 19
1 st Notice of Intent Published	Sept 7	Nov 24
2 nd Notice of Intent Published	Sept 14	Dec 1
Rating Calls/Meetings	Sept 21-25	Dec 28- Jan 1
Receive Ratings	Oct 9	Jan 13
Pricing	Oct 22	Jan 21
Council passes Ordinance Authorizing issuance of the Certificates	Oct 22	Jan 21
Closing and Delivery of Funds	Nov 19	Feb 18

Mrs. Bunselmeyer presented the bond issuance impact on the City Council. Council Member Garber asked what the impact on the total tax rate. Mrs. Bunselmeyer stated this is an estimate currently due to the delay in the final tax roll calculations. When they calculated the debt issuance assumptions because the debt is issued early in the fiscal year, she informed City Council that an interest payment would be made in 2021. When the rates are published, it also changes the voter approval rate, and the de minimis rate that will be published. The voter approval rate is \$.59014, and the de minimis rate is \$.59547.

BOND ISSUANCE IMPACT

Assumes No Contributions for TOD/TIRZ Projects

	Projected Growth	Debt Tax Rate	Tax Impact
2020 (Current)	-	\$.11289	-
2021 (Proposed)	2.50%	\$.12993	1.70¢
2022	4.00%	\$.15565	2.57¢
2023	4.00%	\$.16383	.82¢
2024	4.00%	\$.17753	1.37¢
2025	4.00%	\$.18735	.98¢

Proposed Budget
assumes a debt issuance
in January 2021

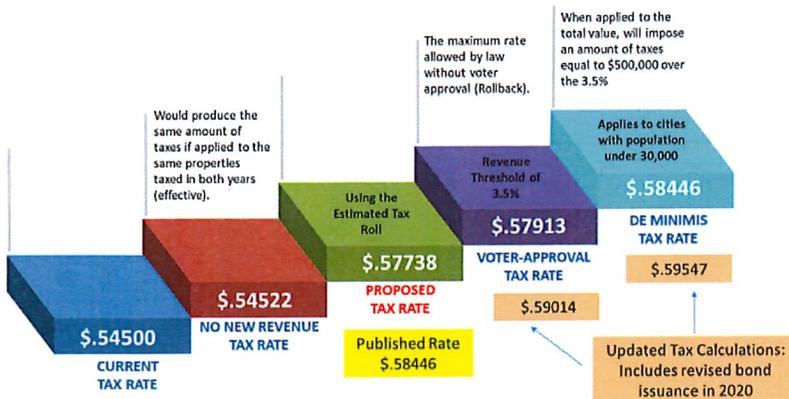
Debt Tax Rate	Tax Impact
\$.11289	
\$.14095	2.81¢
\$.15301	1.21¢
\$.16147	.85¢
\$.16986	.84¢
\$.17989	1.00¢

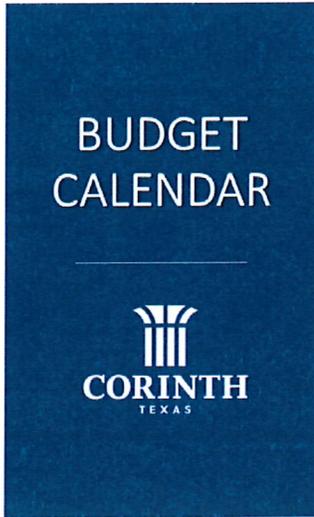
Assumes a debt issuance in
December 2020 and January 2021
at current interest plus 50 bps

Move Year 3 Projects to 5 years+
-Old Hwy 77 Mill/Overlay
-Lion Blvd
-Vintage Drive

PROPERTY TAX RATE ANALYSIS

Using Certified Estimate Value of \$2,435,945,630





Meeting Date	Budget Agenda Item
Aug 6	Council Workshop - Budget Overview
Aug 13	Council Workshop- Governmental, Debt & Special Revenue Funds Council Vote to place tax rate on agenda and set public hearing date
Aug 20	Council Workshop - Proprietary Funds & CIP Approve Crime Control & Prevention District Budget
Sept 3	Council Workshop
Sept 17	Council Workshop Public Hearing on Tax Rate Public Hearing on the Annual Budget
Sept 24 or Sept 29	Adoption of the Annual Program of Services (Budget) Adoption of the Tax Rates and Tax Rolls

- Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

There was no discussion on regular session agenda items.

Closed Session convened at 5:47 P.M. The Corinth Economic Development Corporation members were invited to the meeting. There was no action taken from the CEDC or the City Council.

CLOSED SESSION

The City Council convened in closed session to consider any matters regarding 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 Bar of Texas clearly conflicts with the Texas Open Meetings Act.

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.

a. Right-of-way consisting of .198 acres located at 6801 S I-35E and 3404 Dobbs Road along Dobbs Road within the H. Garrison Survey, Abstract No. 507, within the City of Corinth, Denton County, Texas (F)

b. 3.792 acres, Tract 13H, out of the J.P. Walton Survey, Abstract 1389, within the City of Corinth, Denton County, Texas (P)

c. Being 5.379 acres of land located in the J. WALTON SURVEY, Abstract No. 1389, City of Corinth, Denton County, Texas, and being a portion of the tract of land conveyed to Anchor City Investments, LLC, by the deed recorded in Instrument No. 2006-90896, of the Deed Records of Denton County, Texas (D)

d. 1.548 acres, Tract 10 (PT), Old DCAD TR 2B, 2D, out of the J. P. Walton Survey, Abstract 1389, within the City of Corinth, Denton County, Texas (P2)

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.

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.

a. Project Agora

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.

Closed Session recessed at 6:19 P.M. and reconvened into work session at 6:20 P.M.

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

ADJOURN:

Mayor Heidemann adjourned the work session at 6:53 p.m.

AYES:

Meeting adjourned.

Approved by Council on the 24th day of September 2020.

Lana Wylie
Lana Wylie, Interim City Secretary
City of Corinth, Texas

