



**City of Lucas  
City Council Meeting  
March 7, 2019  
7:00 P.M.**

**City Hall - 665 Country Club Road – Lucas Texas**

**MINUTES**

**Call to Order**

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Mayor Olk called the meeting to order at 7:00 p.m.

**City Councilmembers Present:**

Mayor Jim Olk  
Mayor Pro Tem Kathleen Peele  
Councilmember Wayne Millsap  
Councilmember Tim Baney  
Councilmember Steve Duke  
Councilmember Philip Lawrence  
Councilmember Debbie Fisher

**Staff Present:**

City Manager Joni Clarke  
Special Projects Coordinator Kent Souriyasak  
City Attorney Joe Gorfida  
City Engineer Stanton Foerster  
Development Services Director Joe Hilbourn  
Finance Director Liz Exum

Mayor Olk determined that a quorum was present. Everyone was reminded to silence their cell phones and the Pledge of Allegiance was recited.

**Citizen Input**

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**1. Citizen Input.**

John Ballis, 1820 Winningkoff Road, shared that two accidents have occurred recently. Both accidents occurred on Winningkoff Road and one hit the mailbox located at 1818 Winningkoff Road. Mr. Ballis indicated that he hears traffic noise from his office and that last year there was an accident at the intersection of Blondy Jhune Road and Winningkoff Road and is requesting a stop sign for the intersection. Mr. Ballis also indicated that vehicles are traveling at a high rate of speed from Orr Road and from the Winningkoff Bridge.

Michele Streiff, 1730 Winningkoff Road, lives next to the Winningkoff Bridge and expressed it is dangerous to pull in and out of the driveway. Ms. Streiff explained cars are pulling too far into the intersection of Blondy Jhune Road and Winningkoff Road and the traveling public is not stopping at the stop sign at the intersection of East Winningkoff Road and Orr Road.

Bob Streiff, 1730 Winningkoff Road, requested the City's assistance with a neighbor's German Shepherd that is barking nonstop.

## Community Interest

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### 2. Community Interest.

- A. Discuss pending legislation that is being considered by the 86th Legislature and provide guidance to City Staff and City Attorney.

There was no legislative update given at this meeting.

Mayor Olk requested a moment of silence in memory of Lucas citizen and friend, Karen Campbell.

Mayor Olk discussed other items of community interest that included:

- The Texas Trash Off Cleanup event scheduled for April 6, 2019 that would coincide with the electronic recycling event also scheduled for that same day.
- The City's Founders Day event was scheduled for May 11 from Noon to 4 pm.
- Mayor Pro Tem Peele is looking to expand the Stick Horse Stable for the Stick Horse Rodeo and donations will be appreciated. Mayor Pro Tem Peele indicated that the April City Council meetings will have some special attendees.
- Councilmember Fisher mentioned the historical display at Founders Day and indicated that it is a great opportunity to learn more about our City.
- NTMWD Board of Directors meeting was attended by Councilmember Fisher and referred the public to the NTMWD website if they want more information about the Bois d'Arc Lake.
- Mayor Olk noted that the City would be holding their General and Special Election on May 4 that included City Council seats 5 and 6 on the ballot, as well as renewing the Fire District along with the one-half percent sales tax allocated towards the district. Early voting would be held April 22 through April 30.
- Mayor Olk indicated that HB 2178 filed by Representative Noble and SB 1375 filed by Senator Paxton addresses changes to the Texas Emergency Service Retirement System.
- Mayor Olk attended the Emergency Preparedness meeting at NCTCOG. Councilmember Steve Duke will serve as an alternate member if the Mayor cannot attend. The City will need to file the appropriate documentation.
- Joni Clarke discussed Stinson Road and Blondy Jhune Road Traffic Control Plans Public Meetings scheduled for:
  - Stinson Road (Parker Road to Bristol Park) - Monday, March 18 from 6:30 pm to 7:30 pm.
  - Blondy Jhune (Hendricks Farm to Winningkoff) - Tuesday, March 19 from 6:30 pm to 7:30 pm

## Consent Agenda

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### 3. Consent Agenda.

- A. Approval of the minutes of the February 21, 2019 City Council meeting.
- B. Approval of amending the Fiscal Year 18/19 budget to reallocate funds totaling \$582,838.82 for capital improvements previously approved in Fiscal Year 17/18.

**MOTION:** A motion was made by Councilmember Fisher, seconded by Councilmember Baney to approve the Consent Agenda as presented. The motion passed unanimously by a 7 to 0 vote.

## Regular Agenda

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### 4. Consider the request by Anita Amadi of 2540 West McGarity Lane to install a gate on Allison Lane and discuss maintenance and possible construction of Allison Lane and public safety access.

Anita Ahmadi expressed concern that other people are using her driveway to access commercial tracts along Angel Parkway. Ms. Ahmadi has access rights to a nonexclusive easement which has also been dedicated for public use as right of way for a future roadway. The City of Lucas has not yet built this roadway but does mow the right of way on a periodic basis.

Development Services Director Joe Hilbourn presented information regarding possible options to address Ms. Amadi's request for a gate on Allison Lane.

Ms. Amadi is concerned about the use of millings that may have pieces of metal in it and thanked the City Council for considering her request.

Councilmember Lawrence asked about the metal in the millings and Mr. Hilbourn indicated that it was asphalt and it should not have metal in it.

Mayor Pro Tem Peele indicated that she has used millings and liked the results.

Mayor Olk indicated that he drove on Allison Lane and is not in favor of a gate at McGarity Lane but is okay with a gate at the access road to Pennington Drive, and the gate should be paid for by Ms. Amadi and the City would maintain the portion of the road from the gate to McGarity Lane.

Mayor Pro Tem Peele does not support the gate.

Councilmember Baney does not support the installation of a gate on a public road but supports the City doing maintenance once or twice a year.

Ms. Amadi asked when Allison Lane will be constructed. The City could not provide her with the timeline for the construction of the roadway as it is not on the schedule for the next 25 years.

Councilmember Millsap indicated that if Ms. Amadi wants a gate at her driveway, she can put one at her property and Ms. Amadi indicated that she has a gate at her property. Councilmember Millsap

asked about signage and City Engineer Stanton Foerster indicated there is a dead end at Allison Lane. Councilmember Millsap likes the idea of using the millings.

Councilmember Duke asked about Walmart access from Allison Lane.

Councilmember Baney does not see a need to worry about vehicles accessing Walmart from Allison Lane.

**MOTION:** A motion was made by Councilmember Millsap seconded by Councilmember Duke to maintain Allison Lane with millings and deny the installation of the gate.

The motion passed unanimously by a 7 to 0 vote.

**5. Discuss funding strategies for future water and roadway infrastructure projects including issuance of Certificates of Obligation and the potential impact to the existing property tax rate.**

Mark McLiney with SAMCO, the City's Financial Advisor, presented information pertaining to the possible issuance of Certificate of Obligations. The City is evaluating to issue debt in the amount of seven or nine million dollars. With a seven-million-dollar issuance, it would fund \$5,670,000 of general fund projects and \$1,330,000 in the water utility fund. The current interest and sinking rate, or I&S rate, for the City of Lucas is 10.09 which is about one third of the total tax rate. For the last seven years, the City of Lucas has experienced 10% growth. The model that is being presented uses 8% growth for 2019, 5% for 2020 and 2021 and 2% for 2022. The estimated I&S rate would increase to approximately 11.25% for three years and then it would drop below to where we are now as 10.09%.

Mr. McLiney indicated that the City has well managed funds with pay-as-you-go projects and that we should be proud of what we have accomplished fiscally over the past five years. The City has excellent reserves in both the General Fund and the Utility Fund to offset any potential downturns in the economy. Mr. McLiney also indicated that if the City wanted to issue nine million dollars in Certificate of Obligations, it would increase the I&S tax rate to approximately 11.8%. This would provide \$7,290,000 for General Fund projects and \$1,710,000 for Utility Fund projects. The additional projects that are being considered include the design of the western section of Snider Lane and the bridge and the middle section of Stinson Road and the bridge. The design costs are estimated to be \$1,640,000 and these projects could be added for approximately a penny in tax.

Mr. McLiney believes that the I&S tax rate will be less but wants to show the worst-case scenario. Mr. McLiney reminded the City Council that they have an AA + bond rating which is the second highest available to issuers. Mr. McLiney reviewed the timeline and milestones for the issuance of debt. The Notice of Intention (NOI) Resolution to issue the Series 2019 Certificate of Obligation would need to be authorized by the City Council at the June 20, 2019 City Council meeting.

Councilmember Lawrence wants to ensure that the public is informed.

The City Council and staff discussed the residential growth of the City including permits, development and value of houses in Lucas.

Mayor Pro Tem Peele indicated that she realizes people are sensitive about tax rates and debt, but also understands that they want the roads improved. Mayor Pro Tem Peele believes we have been prudent and have managed the financial condition of the City well.

Councilmember Millsap indicated that the numbers are conservative and do not include the freeze values in the amount of approximately \$355,000. Councilmember Millsap advocated that the City needs to get our roads replaced not patched.

Councilmember Duke asked about the County Funding for some of these projects and the timing. City Engineer Stanton Foerster responded that we are looking at applying for funding in the summer or fall of 2019.

Councilmember Lawrence asked about falling short and Mr. Foerster indicated it was a possibility.

Mayor Pro Tem Peele brought up the bait shop intersection and that it is important to have funding for these types of projects.

Councilmember Millsap asked about moving forward with an amount and whether it could be lowered. Mr. McLiney indicated yes, as the NOI Resolution indicates an amount not to exceed. The City will have two internal debt service schedules and you can always adjust after the fact between the General Fund and the Utility Fund and these are business decisions that the City Council will make.

Councilmember Lawrence asked if the money derived from the debt issuance could be refunded if the City received funding from other sources. Mr. McLiney responded that it could not as the Certificate of Obligation typically have a 10-year call.

Councilmember Fisher supports the water projects but has a concern with the street projects. We cut the maintenance and operations (M&O) tax rate and what is being proposed is a 12% increase on the I&S tax rate. Councilmember Fisher expressed concern about Winningkoff Road becoming a cut through street. Councilmember Fisher also expressed that the City's bridges and some of the drainage issues are appropriate for Certificate of Obligation projects. Councilmember Fisher indicated that a Certificate of Obligation should be used for safety projects. All the debt that has been issued by the City has been a Certificate of Obligation. Councilmember Fisher indicated that fixing the road at Willow Springs Middle School is a priority. Councilmember Fisher shared that the City of Fairview is asking for a similar amount of debt to be issued and they are taking it to the voters.

Councilmember Millsap believes that we have pushed our roads out and we have the assessed values and growth to fund projects. Councilmember Millsap indicated that we may have a problem in the future and may not be able to fund some projects in the future. Councilmember Millsap stated that the City has 14 months of reserve in General Fund with many cities only having three months.

Councilmember Lawrence, Mayor Pro Tem Peele and Councilmember Baney would like to re-evaluate the projects. Councilmember Baney indicated that he sees reconstruction and repair of our roadways as a safety issue. The City Council discussed revisiting the projects with several councilmembers supporting the reconstruction of the City's bridges.

Councilmember Duke does not like debt but supports the nine million because the number one thing he hears from our citizens is we have to fix our roads. This is the number one complaint. We need to focus on the real safety issues as the priority.

Councilmember Lawrence wants to evaluate roadway projects as there are a significant number of roadways that need to be fixed.

Mayor Olk clarified that the City Council is not tied to the list of projects. The two questions to consider are does the City have the capacity to take on the debt and the other issue is whether the City should consider Certificate of Obligation or General Obligation Bonds.

Mayor Pro Tem Peele wants to make the bait shop intersection a priority and taking the debt issuance to a vote would cost more money to conduct the election.

Councilmember Baney indicated that if people are concerned about it, they will have the opportunity to come to the City Council meetings and express their opinions.

Councilmember Lawrence wants to be sure to identify the safety projects.

Mayor Pro Tem Peele appreciates the sensitivity of debt but considering what the City Council is trying to do, she believes the citizens would understand.

Councilmember Duke shared that the inflation rate is 0.8% per month.

**MOTION:** A motion was made by Councilmember Millsap, seconded by Councilmember Lawrence to approve obtaining funding for future roadway and water reconstruction projects identified in the City's Capital Improvement and Thoroughfare Plans and authorize City Staff to work with SAMCO Financial Advisors on the Notice of Intention Resolution to issue Certificates of Obligation in an amount not to exceed nine million.

The motion passed by a 6 to 1 vote. Councilmember Fisher voting Nay.

- 6. Consider the request by O'Reilly Auto parts for approval of the landscape plan, site plan, and architectural plan for a tract of land being 1.140 acres located in the William Snyder Survey, ABS #821, otherwise known as Lot 1, Block A of the O'Reilly addition that is located north of 571 South Angel Parkway.**

Development Services Director Joe Hilbourn provided the City Council with a presentation regarding the development. The landscape plan, site plan and architectural plan complies with the City's requirements and was unanimously approved by the Planning and Zoning Commission.

Mayor Pro Tem Peele asked if the development had direct access to Angel Parkway. Mr. Hilbourn responded that they did not, but they did request it and was denied by TxDOT.

Councilmember Lawrence indicated that traffic in the area is significant.

Mr. Hilbourn shared that the construction of Lucas Plaza Phase 2 is using some of the parking.

**MOTION:** A motion was made by Councilmember Baney, seconded by Councilmember Duke to approve the request by O'Reilly Auto Parts for landscape plan, site plan and architectural plan for a tract of land being 1.140 acres located in the William Snyder Survey, ABS #821, otherwise known as Lot 1, Block A of the O'Reilly addition.

The motion passed unanimously by a 7 to 0 vote.

**7. Review Article III of the City Charter and provide direction to the City Attorney regarding any proposed amendments to be considered as part of a Charter update.**

The City Attorney review proposed amendments to Article III of the City's Home Rule Charter. The proposed revisions discussed included:

- Deleting transitional provisions
- Clarify the qualification language
- Remove the referral of taxes in the arrears as it is no longer allowed
- Remove language about filing and city hall not remaining open as it is not necessary
- Filling a vacancy by four affirmative votes of the City Council so the City would not be required to call a special election (some councilmembers are not in favor of this change)
- Change residency requirement to one year for the minimum time as a resident

Mayor Olk will wait to review the whole charter and then decide if an election is warranted.

Councilmember Fisher asked about the Denton County issue and a Mayor holding the position of County Appraiser.

**MOTION:** No action was taken.

**Executive Session Agenda**

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**8. Executive Session.**

An Executive Session was not held at this meeting.

**9. Adjournment.**

**MOTION:** A motion was made by Councilmember Millsap, seconded by Councilmember Lawrence to adjourn the meeting at 8:57 pm. The motion passed unanimously by a 7 to 0 vote.

APPROVED:

  
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Mayor Jim Olk

ATTEST:

  
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Jim Clarke, City Manager

