



AGENDA
City of Lucas
City Council Meeting
July 2, 2020
6:30 PM
Video Conference
665 Country Club Road – Lucas, Texas

The Executive Session is a closed meeting and will not be available by video conference.

Executive Session Agenda
6:30 PM

The City Council will convene into Executive Session pursuant to Section 551.071 of the Texas Government Code to consult with the City Attorney regarding City of Lucas, Texas v. Robert Kubicek and the following real property: 2205 Estates Parkway, Lucas, Texas, In Rem, Cause No. 417-00147-2018 in the 417th Judicial District Court of Collin County, Texas.

Regular Agenda
7:00 PM

On March 16, 2020 Governor Abbott suspended some provisions of the Open Meetings Act in response to the COVID-19 emergency. To comply with Governor Abbott's latest Executive Order, GA 18, and to practice safe distancing, Lucas City Council meetings will not be open to on-site visitors. In the interim, City Council meetings will be available through Ring Central Webinar from your computer or smartphone. **To join the meeting, go to <https://webinar.ringcentral.com/j/1496005696?pwd=SDFGcHF6WmdmOGFYTU5nYzByVjNXUT09> PASSWORD 9727278999** you will be asked for your name and email address to join the meeting.

If the public desires to speak during a specific agenda item, **they must email shenderson@lucastexas.us by 4:30 pm on the day of the meeting.** The email must contain the person's name, address, phone number, and the agenda item(s) for which comments will be made.

Notice is hereby given that a meeting of the Lucas City Council will be held on Thursday, July 2, 2020 at 7:00 pm at Lucas City Hall, 665 Country Club Road, Lucas, Texas 75002-7651 at which time the following agenda will be discussed. As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

Call to Order

- Roll Call
- Determination of Quorum
- Reminder to turn off or silence cell phones
- Pledge of Allegiance

Citizen Input

1. Citizen Input

Community Interest

Pursuant to Section 5510415 of the Texas Government Code, the City Council may report on the following items: 1) expression of thanks, congratulations or condolences; 2) information about holiday schedules; 3) recognition of individuals; 4) reminders about upcoming City Council events; 5) information about community events; and 6) announcements involving imminent threat to public health and safety.

2. Items of Community Interest

Consent Agenda

All items listed under the consent agenda are considered routine and are recommended to the City Council for a single vote approval. If discussion is desired, an item may be removed from the consent agenda for a separate vote.

- 3A. Approval of the minutes of the June 18, 2020 City Council meeting. **(City Secretary Stacy Henderson)**
- 3B. Consider amending FY 19/20 budget account 11-6110-452 Hardware & Telecom in the amount of \$3,165 for the purchase of computer hardware by appropriating funding from restricted court technology fees. **(City Secretary Stacy Henderson)**

Regular Agenda

4. Consider taking any necessary action as a result of the earlier held Executive Session. **(Mayor Jim Olk)**
5. Discuss the City of Lucas Broadband Project and provide final feedback regarding the adjusted financial model for the broadband feasibility study. **(City Council)**
6. Discuss matters related to COVID-19 and provide direction to staff on any recommended updates. **(Mayor Jim Olk)**
7. Adjournment.

Certification

I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at www.lucastexas.us on or before 5:00 p.m. on June 26, 2020.



Stacy Henderson, City Secretary

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Stacy Henderson at 972.912.1211 or by email at shenderson@lucastexas.us at least 48 hours prior to the meeting.



City of Lucas

City Council Agenda Request

July 2, 2020

Requester: Mayor Jim Olk

Agenda Item Request

Executive Session:

The City Council will convene into Executive Session pursuant to Section 551.071 of the Texas Government Code to consult with the City Attorney regarding City of Lucas, Texas v. Robert Kubicek and the following real property: 2205 Estates Parkway, Lucas, Texas, In Rem, Cause No. 417-00147-2018 in the 417th Judicial District Court of Collin County, Texas.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas

City Council Agenda Request

July 2, 2020

Requester: Mayor Jim Olk

Agenda Item Request

Citizen Input

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas Council Agenda Request July 2, 2020

Item No. 02

Requester: Mayor Jim Olk

Agenda Item Request

Items of Community Interest

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas Council Agenda Request July 2, 2020

Item No. 03

Requester: City Secretary Stacy Henderson

Agenda Item Request

3. Consent Agenda:
 - A. Approval of the minutes of the June 18, 2020 City Council meeting.
 - B. Consider amending FY 19/20 budget account 11-6110-452 Hardware & Telecom in the amount of \$3,165 for the purchase of computer hardware by appropriating funding from restricted court technology fees.

Background Information

Agenda Item 3B:

Currently, there are funds set aside for court technology purposes in restricted cash. Staff is requesting to upgrade the computer and laptop in the Council Chambers used by the City Secretary for Municipal Court and meeting activities. In order to utilize these restricted funds, a budget amendment to appropriate funding must occur.

Attachments/Supporting Documentation

1. Minutes of the June 18, 2020 City Council meeting

Budget/Financial Impact

NA

Recommendation

City Staff recommends approval of the Consent Agenda.

Motion

I make a motion to approve the Consent Agenda as presented.



**City of Lucas
City Council Meeting
June 18, 2020
Video Conference Meeting
7:00 P.M.**

City Hall - 665 Country Club Road – Lucas Texas

MINUTES

Call to Order

Mayor Olk called the video conference 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

City Staff Present:

City Manager Joni Clarke
City Secretary Stacy Henderson
Development Services Director Joe Hilbourn
City Engineer Stanton Foerster
Finance Director Liz Exum
Fire Chief Ted Stephens
Assistant to the City Manager Kent Souriyasak

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

This meeting was conducted by video conference.

Citizen Input

1. Citizen Input.

There was no citizen comment at this meeting.

Community Interest

2. Items of Community Interest.

Mayor Olk noted the following items of community interest:

- The next Farmers Market was scheduled for June 27 at the Lucas Community Park. Handwashing/sanitizing stations would be available.
- The City Council would be holding their budget workshop on July 30 at 6pm.
- Reminder that it was illegal to discharge fireworks within the City limits of Lucas.

Consent Agenda

3. Consent Agenda:

- A. Approval of the minutes of the June 4, 2020 City Council meeting.
- B. Adopt Ordinance 2020-06-00916 granting Atmos Energy Corporation, a Texas and Virginia corporation franchise to construct, maintain, and operate pipelines and equipment in the City of Lucas for the transportation, delivery, sale, and distribution of gas in, out of, and through said City for all purposes.

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

Regular Agenda

4. Discuss the City of Lucas Broadband Project including:

- A. Review the preliminary financial model prepared by Magellan Advisors.
- B. Receive and discuss information from the City's Financial Advisor Mark McLIney regarding funding strategies.
- C. Review and discuss the timetable regarding a bond election.

Kent Souriyasak, Assistant to the City Manager discussed the technology survey conducted in 2019 noting that of the 400 responses collected, 55 percent had download speeds below 20 mbps and were dissatisfied with their internet capabilities and service. Mr. Souriyasak summarized the draft financial model prepared by Magellan explaining the cost to provide fiber lines throughout the city to every home and business was estimated to cost \$12.3 million, a network building to house equipment would cost \$3.3 million, and home equipment for residential households would cost \$2.5 million, for a total cost to be financed of \$19,151,478 million.

Mr. Souriyasak further explained that the estimates were based on construction of fiber for 80 percent underground and 20 percent aerial. The Financial Model was based on 55 percent uptake (customers) for a conservative break-even estimate. Proposed residential rates by Magellan included 1 GB at a rate of \$115.95 monthly and 10 GB at \$195.95 monthly. Mr. Souriyasak stated that Magellan Advisors was working on adjusting the financial model per recommendations from the City Council.

Paul Rathgeb, Technology Committee Chairman discussed the efforts of the Technology Committee noting that several members met with various internet providers regarding expansion or improved service in Lucas and each vendor stated it was too costly with a low rate of return due to the low density housing. Mr. Rathgeb stated that residents were ready for a solution and there was a demand for better service.

Mayor Olk and Mayor Pro Tem Peele stated that the financial model needed to reflect the amount that would have to be taken from the City's reserve as well as interest on the amount borrowed showing the full financial impact.

Councilmember Fisher questioned if a new building would be needed to house the equipment and staff needed for the project.

Mr. Hilbourn discussed the additional square footage that could be obtained by remodeling and expanding a portion of city hall at a much lower cost.

Mayor Pro Tem Peele noted that Mont Belvieu's proposal related to personnel costs was underbudgeted and they had a lack of participation with public private partnerships. Mayor Pro Tem Peele suggested the cities of Allen and Plano be contacted to determine if any partnerships could be formed and define competitive salaries for the recommended staff positions for this area.

The City Council discussed revenue sources within the City, the lack of a large commercial base, and if there was enough funding source to sustain the project. The Council also discussed the amount of funds available in the general and water funds and how this could be used in the first two years to cover costs that were not allocated with bond funds. The City Council also discussed the monthly subscription cost outlined in the draft model and believed this may be too high and asked that the model be amended to determine if a lower rate could be obtained and what the customer uptake rate would have to be.

Mayor Olk asked that the term "break even" be further defined identify what those numbers signify.

The City Council discussed using reserve funding to ensure that if a broadband utility project was put before the voters and created, that there would be no effect to the taxpayers.

Andrew Friedman and Mark McLIney with SAMCO Financial spoke regarding the financial model and stated that the operating income would be negative for the first two years before generating a positive cash flow. Mr. McLIney discussed where the city would have deficits and how the system would become self-supportive.

The Council discussed how there was adequate reserve that could be used, and taxes would not have to be raised, but also discussed apprehension with the risk associated with the project. Mr. McLIney gave an example and stated that if the project was unsuccessful and the City did not use reserves to pay any debt, then a \$0.10 to \$0.13 property tax increase would have to occur. He also noted that the City's maintenance and operations were not subject to the rollback rate.

Summary items the City Council would like additional information on included the following:

1. Provide an overall summary of total costs for the project.
2. Explore possible partnerships in the broadband feasibility study.
3. Clarify the definition for the term break-even regarding the financial model.
4. Examine how payout looks after 20 and 30 years.
5. Determine competitive salaries for recommended staff positions to operate the network.
6. Identify building needs for a data center, workspace, and equipment storage.
7. Specify where the costs for computers and other necessary equipment are included.
8. Compare tracking costs from the City of Mont Belvieu's broadband network.

There was no further discussion or action on this item, it was for discussion purposes only.

- 5. Consider information provided by Lee Engineering for two draft traffic studies: 1) Estelle Lane/Gold Dust Trail/Forestview Drive area and 2) Winningkoff Road/Blondy Jhune Road area and direct the City Manager on same.**

Mr. Dharmesh Shah with Lee Engineering discussed his findings with the City Council regarding the two traffic studies in the Estelle Lane area and the Blondy Jhune and Winningkoff area. Mr. Shah discussed the Estelle Lane/Forestview study, noting that the average speeds on Forestview Drive were traveling at or below 30 mph, which was the posted speed limit. Mr. Shah stated that based on all the data collected, he did not recommend any changes to this area.

Mr. Max Oversteer, Lucas resident commented to the Council that his neighbors would like to keep the speed humps in the Huntwick area to slow speeds down and keep the neighborhood safe.

Mr. Shah then discussed the Blondy Jhune/Winningkoff study, noting that he did not recommend multi-way stop signs in the area, but did recommend installing a stop sign on the eastbound approach of Blondy Jhune at Winningkoff Road rather than the yield sign that was in place currently based on traffic patterns and crash reports. Mr. Shah stated that he also recommended the City trim the vegetation on the east side of Winningkoff Road between Blondy Jhune and the bridge to the south, as well as on the west side of Winningkoff north of Blondy Jhune.

Stanton Foerster, City Engineer stated that based on engineering recommendations, staff had installed a stop sign at Blondy Jhune and Winningkoff and trimmed trees and vegetation in the areas recommended.

The City Council noted that this was a draft study and directed Lee Engineering to complete the study and finalize the report.

6. Consider authorizing the City Manager to negotiate and enter into an agreement with Collin County for reimbursement for repairs needed to Forest Grove Road from Country Club Road to Orr Road if utilized as a detour for the construction of Orr Road north of the Lucas city limits.

City Engineer Stanton Foerster stated that he had received a request from Collin County to use Forest Grove Road as a detour during the construction of Orr Road. Collin County was willing to compensate the City for any necessary repairs to Forest Grove Road and would conduct a survey of the road before construction began. This project was being done by Collin County for the North Texas Municipal Water District.

Mayor Pro Tem Peele stated that she was in favor of having pre- and post-pavement photographs taken of Forest Grove Road to determine what, if any, repairs were needed, and to require 2-inch asphalt overlay.

MOTION: A motion was made by Mayor Olk, seconded by Councilmember Baney to authorize the City Manager to negotiate and enter into an agreement with Collin County for reimbursement of repairs needed for Forest Grove Road from Country Club to Orr Road if utilized as a detour for the construction of Orr Road north of the Lucas city limits in the amount of \$355,000. The motion passed unanimously by a 7 to 0 vote.

7. Consider appropriating \$361,355.69 to revenue account 11-4984 and expense account 11-6999-499 regarding funding received as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for expenses incurred between March 1 through December 30, 2020 related to COVID-19 and provide guidance to staff.

City Manager Joni Clarke stated that as part of the CARES Funding received, related and potential expenses had been outlined for Council consideration. Ms. Clarke stated that the list has been reviewed by the auditors to ensure compliance with the CARES Act guidelines.

Mayor Pro Tem Peele and Councilmember Fisher thanked Collin County for ensuring that smaller cities received funding as part of the CARES Act.

MOTION: A motion was made by Councilmember Fisher, seconded by Mayor Pro Tem Peele to approve appropriating \$361,355.69 to revenue account 11-4984 and expense account 11-6999-499 for funding received as part of the CARES Act for expenses incurred between March 1 through December 30, 2020 related to COVID-19 and authorize the expenditures as outlined in the COVID-19 expenses spreadsheet included in the June 18, 2020 City Council packet. The motion passed unanimously by a 7 to 0 vote.

8. Consider postponement of proposed amendments to the City’s Home Rule Charter from the November 3, 2020 special election to the May 1, 2021 special election.

MOTION: A motion was made by Councilmember Millsap, seconded by Councilmember Duke to approve moving proposed Charter amendments to the special election on May 1, 2021. The motion passed unanimously by a 7 to 0 vote.

Executive Session

9. Executive Session.

An Executive Session was not held at this meeting.

10. Reconvene from Executive Session and take any action necessary as a result of the Executive Session.

An Executive Session was not held at this meeting, and no action was taken.

Adjournment

11. Adjournment.

MOTION: A motion was made by Councilmember Millsap, seconded by Mayor Olk to adjourn the meeting at 9:19 pm. The motion passed unanimously by a 7 to 0 vote.

APPROVED:

ATTEST:

Mayor Jim Olk

Stacy Henderson, City Secretary



City of Lucas City Council Agenda Request July 2, 2020

Requester: Mayor Jim Olk

Agenda Item Request

Consider taking any necessary action as a result of the earlier held Executive Session.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas Council Agenda Request July 2, 2020

Item No. 05

Requester: City Council

Agenda Item Request

Discuss the City of Lucas Broadband Project and provide final feedback regarding the adjusted financial model for the broadband feasibility study.

Background and Financial Information

Recent Discussions:

On June 17, 2020, Magellan Advisors reviewed the preliminary financial model with the City Council and discussed key metrics of the pro forma, borrowing summary, assumptions, rates, capital plan, staffing plan, and demand forecasts. The Council provided feedback to Magellan Advisors to adjust the financial model with the following:

1. Reduce the annual amount of \$450,000 in the reserve fund for renewal and replacement.
2. Move year-end contribution costs to the working capital line item to include interest as a possible interfund loan from the City.
3. Provide an additional financial model based on 45% uptake.
4. Identify any possible avenues for reducing the cost of residential rates based on uptake.

At the June 18, 2020 City Council meeting, the Council further discussed the broadband project, financial model, and provided additional feedback which includes:

1. Provide an overall summary of total costs for the project.
2. Explore possible partnerships in the broadband feasibility study.
3. Clarify the definition for the term break-even regarding the financial model.
4. Examine how payout looks after 20 and 30 years.
5. Determine competitive salaries for recommended staff positions to operate the network.
6. Identify building needs for a data center, workspace, and equipment storage.
7. Specify where the costs for computers and other necessary equipment are included.
8. Compare tracking costs from the City of Mont Belvieu's broadband network.

Magellan Advisors will make changes to the financial model based on recommendations from the Council. A Q&A document will be provided to address any questions regarding the broadband project.

Discussions with the City's Financial Advisors at SAMCO Capital and the Bond Counsel at Norton Rose Fulbright have occurred to discuss funding strategies, timelines, and gain insight on similar broadband projects at the Cities of Dayton and Mont Belvieu. The Bond Counsel indicated that (1) the working capital funding is limited to 10% of the total project/bond amount,



City of Lucas

Council Agenda Request

July 2, 2020

(2) there is no anticipated impact on the City's bond rating, and (3) the ad valorem tax base provides the underlying credit support in the event that the project does not perform as expected. Possible funding sources for the broadband project would be through (1) bond funds, (2) federal grant(s), and (3) reserves. City staff is pursuing a grant from the Economic Development Administration (EDA), U.S. Department of Commerce (DOC) that may fund a portion of the broadband project if awarded. Reserves could be used or loaned with interest to the Technology Fund as a means of reducing the amount of debt funding.

Project Overview:

Magellan Advisors will develop and compare three financial models based on 45%, 55%, and 65% uptake. Due to low density housing and estimated population growth projections within the City, Magellan Advisors indicates that the recommended financial model be based on a 55% uptake of all residential households. Magellan Advisors considers 55% uptake as a conservative model for the City where positive net income and positive end-of-year cash flow is expected for the network to begin sustaining its operations. The 55% uptake represents a total of 1,311 out of 2,383 residential households currently within city limits. The City's Comprehensive Plan indicates that the City is estimated to be built out by 2030 and the residential buildout is estimated to be 3,540 households.

Magellan Advisors recommended that buildout for the construction of a fiber network should be 80% underground and 20% aerial. The conceptual network design includes the fiber backbone and feeder distribution lines that run a total of approximately 108 miles. The fiber network passes every residential household and business located within city limits. Magellan Advisors will also provide information detailing the total of number of households located in the northern section (north of West/East Lucas Road) and southern section (south of West/East Lucas Road) of the City as it pertains to uptake in the broadband feasibility study.

The broadband project would be similar to the City's water service and set up as a separate enterprise fund where it can be self-sustaining through the revenue generated by the customer base for the services provided. The Council indicated funding for the project would need to be approved by the citizens through a bond election. Bond elections are limited to uniform election dates which are Tuesday, November 3, 2020 or Saturday, May 1, 2021. The key date for calling a bond election is the adoption of an ordinance which must be done no more than 90 days and no less than 78 days prior to either election date. An agenda item will be placed on the July 16, 2020 City Council meeting to discuss the potential date to call a bond election.

Magellan Advisors anticipates finalizing the financial model by early July and will provide a draft of the broadband feasibility study by July 13, 2020. The draft will be provided for review and to provide any feedback regarding the study. Magellan Advisors also anticipates completing the final study before the end of July.



City of Lucas Council Agenda Request July 2, 2020

Item No. 05

Below is a tentative schedule with key dates, milestones, and meetings:

June 29, 2020	Review adjusted financial model with City Council
June 30, 2020	Project update meeting with Technology Committee
July 2, 2020	City Council meeting to provide final feedback regarding financial model
July 13, 2020	Review draft of broadband feasibility study
July 16, 2020	City Council meeting to provide feedback regarding draft of study and discuss the potential date to call a bond election
To Be Determined	Magellan Advisors submits completed study
July 30, 2020	City Council special meeting to consider bond election date

Attachments/Supporting Documentation

1. Comparison Matrix of Broadband Financial Summaries
2. General Fund and Water Fund Reserves Trend

Budget/Financial Impact

The adjusted financial model will be sent out to City Council by June 26, 2020. The financial impact will be based on the finalization of the financial model and broadband feasibility study by Magellan Advisors.

Recommendation

NA

Motion

There is no motion required.

Comparison Matrix of Broadband Financial Summaries

Take Rate Assumption	45%	55%	65%
Residential 1G Price	115.95	115.95	115.95

See note 1

Take Rate Assumption	45%	55%	65%
Residential 1G Price	89.95	89.95	89.95

Uses of Funds:

Fiber Plant & Facilities	11,321,124	11,321,124	11,321,124
Network Equipment & Buildings	3,315,273	3,315,273	3,315,273
Home Equipment	2,086,258	2,526,122	2,966,260
Working Capital	1,700,000	1,700,000	1,700,000
	<u>18,422,655</u>	<u>18,862,519</u>	<u>19,302,657</u>

Uses of Funds:

Fiber Plant & Facilities	11,321,124	11,321,124	11,321,124
Network Equipment & Buildings	3,315,273	3,315,273	3,315,273
Home Equipment	2,086,258	2,526,122	2,966,260
Working Capital	1,700,000	1,700,000	1,700,000
	<u>18,422,655</u>	<u>18,862,519</u>	<u>19,302,657</u>

Sources of Funds:

General Obligation Bonds			
20 year	11,321,124	11,321,124	11,321,124
10 year	3,315,273	3,315,273	3,315,273
15 year	1,700,000	1,700,000	1,700,000
7 year	2,086,258	2,526,122	2,966,260
	<u>18,422,655</u>	<u>18,862,519</u>	<u>19,302,657</u>
Loan from Reserves ⁽¹⁾	6,240,000	1,800,000	1,120,000
	<u>24,662,655</u>	<u>20,662,519</u>	<u>20,422,657</u>

Sources of Funds:

General Obligation Bonds			
20 year	11,321,124	11,321,124	11,321,124
10 year	3,315,273	3,315,273	3,315,273
15 year	1,700,000	1,700,000	1,700,000
7 year	2,086,258	2,526,122	2,966,260
	<u>18,422,655</u>	<u>18,862,519</u>	<u>19,302,657</u>
Loan from Reserves ⁽¹⁾	See note 1	7,900,000	3,120,000
	<u>18,422,655</u>	<u>26,762,519</u>	<u>22,422,657</u>

(1) Loans as required from General or Utility Funds and repaid from cash flow with interest

(1) Loans as required from General or Utility Funds and repaid from cash flow with interest

Supporting Schedule

Working Capital

Operating Funds			
Working Capital ⁽¹⁾	1,700,000	1,700,000	1,700,000
Operating Deficits ⁽²⁾	6,240,000	1,800,000	1,120,000
	<u>7,940,000</u>	<u>3,500,000</u>	<u>2,820,000</u>

Supporting Schedule

Working Capital

Operating Funds			
Working Capital ⁽¹⁾	1,700,000	1,700,000	1,700,000
Operating Deficits ⁽²⁾	See note 1	7,900,000	3,120,000
	<u>1,700,000</u>	<u>9,600,000</u>	<u>4,820,000</u>

(1) Included in Bond

(1) Included in Bond

(2) Loan from reserves

(2) Loan from reserves

	Take Rate Assumption		
	45%	55%	65%
Residential rate	115.95	115.95	115.95
# residents	2,383	2,383	2,383
# of customers	1,072	1,311	1,549
Operating profitability (year)	7	6	5
Cash flow positive (year)	7	6	5
Repay reserve loans (year)	28	20	20

	Take Rate Assumption		
	45%	55%	65%
Residential rate	89.95	89.95	89.95
# residents	2,383	2,383	2,383
# of customers	1,072	1,311	1,549
Operating profitability (year)	12	7	6
Cash flow positive (year)	13	8	6
Repay reserve loans (year)	See note 1	29	27

Note 1: Model at 45% uptake and rate of 89.95 does not support reaching a cumulative positive EOY within 30 years

City of Lucas
 General Fund Reserves by Fiscal Year

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Actual 2018-2019	Projected 2019-2020
Unassigned Fund Balance per Audit Report	\$ 5,867,875	\$ 6,203,973	\$ 7,545,674	\$ 8,774,909	\$ 7,380,496	\$ 7,442,323	\$ 7,442,323
Adjusted For:							
Projected Excess Fund Balance FY 19-20							\$ 73,991
Projected Excess Fund Balance FY 20-21							
Additional Restrictions:							
Capital Project funding approved at (3-2-17) City Council Meeting				\$ (1,385,000)			
Brockdale Roadway Improvements	\$ (47,935)	\$ (102,935)	\$ (140,335)	\$ (199,570)			\$ -
Reserve for Capital Outlay							\$ (50,000)
Reserve for Capital Outlay			\$ (50,000)	\$ (100,000)			
Reserve Balance Prior to GASB 54 Requirement	\$ 5,819,940	\$ 6,101,038	\$ 7,355,339	\$ 7,090,339	\$ 7,380,496	\$ 7,442,323	\$ 7,466,314
Reserve Balance in Operating Months	16.7	17.1	19.3	16.5	16.9	14.9	14.5
50% Current Year General Fund Expenditures (6 months)	\$ (2,089,807)	\$ (2,143,890)	\$ (2,286,670)	\$ (2,583,535)	\$ (2,624,410)	\$ (3,009,319)	\$ (3,086,789)
Reserve Balance After GASB 54 Requirement	\$ 3,730,133	\$ 3,957,148	\$ 5,068,669	\$ 4,506,804	\$ 4,756,086	\$ 4,433,005	\$ 4,379,525
Reserve Balance in Operating Months	10.7	11.1	13.3	10.5	10.9	8.9	8.5
Restricted during Fiscal Year Audit:							
Capital Outlay (\$50K per year) (11-1007-60)					\$ 150,000	\$ 200,000	\$ 250,000
Ambulance Donation (11-1001-65)					\$ 100,000	\$ -	\$ -
Restricted Impact Fees						\$ 1,785,286	\$ 536,481
Brockdale Roadway Improvements (11-1001-60)					\$ 245,054	\$ 285,878	\$ 342,127
Project Mgmt (11-1007-70)						\$ 358,290	
Capital Project Funding approved (3-2-17)(11-1007-50)					\$ 1,385,000	\$ 1,385,000	
Reserve Restricted per Audit Report	\$ -	\$ -	\$ -	\$ -	\$ 1,880,054	\$ 4,014,454	\$ 1,128,608

City of Lucas
Water Fund Reserves by Fiscal Year

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Actual 2018-2019	Projected 2019-2020
Unrestricted Cash Balance per Audit Report	\$ 3,382,193	\$ 4,295,531	\$ 5,579,746	\$ 5,548,487	\$ 5,996,412	\$ 6,215,622	\$ 6,215,622
Adjusted For:							
Projected Excess Fund Balance FY 20-21							
Projected Excess Fund Balance FY 19-20							\$ 54,442
Additional Restrictions:							
Capital Project funding approved at (3-2-17) City Council Meeting				\$ (120,979)			
Customer Deposits	\$ (209,565)	\$ (223,300)	\$ (239,250)	\$ (245,600)	\$ (247,600)	\$ (256,220)	\$ (261,295)
FY 18-19 Transfer for Capital Projects							\$ (82,163)
Reserve Balance Prior to GASB 54 Requirement	\$ 3,172,628	\$ 4,072,231	\$ 5,340,496	\$ 5,181,908	\$ 5,748,812	\$ 5,959,402	\$ 5,926,606
Reserve Balance in Operating Months	13	15	19	16	18	18	16
50% Current Year General Fund Expenditures (6 months)	\$ (1,397,368)	\$ (1,605,672)	\$ (1,656,470)	\$ (1,897,744)	\$ (1,949,722)	\$ (1,983,894)	\$ (2,169,260)
Reserve Balance After GASB 54 Requirement	\$ 1,775,260	\$ 2,466,559	\$ 3,684,026	\$ 3,284,164	\$ 3,799,090	\$ 3,975,508	\$ 3,757,346
Reserve Balance in Operating Months	7	9	13	10	12	12	10
Restricted during FY 17-18 audit:							
Capital Project Funding approved (3-2-17)(51-1007-50)					\$ 120,979	\$ 120,979	
Project Mgmt (51-1007-70)						\$ 69,945	
Reserve Restricted per Audit Report	\$ -	\$ -	\$ -	\$ -	\$ 120,979	\$ 190,924	\$ -



City of Lucas

City Council Agenda Request

July 2, 2020

Requester: Mayor Jim Olk (Director of Emergency Management)
Assistant Fire Chief Lance Gant (Emergency Management Coordinator)

Agenda Item Request

Discuss matters related to COVID-19 and provide direction to staff on any recommended updates.

Background Information

The City's latest Public Health Declaration was amended on June 5, 2020 that included following the Governor's Executive Orders as issued, as well as opening all park facilities including the Community Center. Lucas City Council meetings, Planning and Zoning and any other meetings will be held as needed, and may meet remotely and until such time as the Governor discontinues to temporarily suspend some of the provisions of the Open Meetings Act.

The latest City of Lucas Public Health Declaration is attached for review and any recommended updates.

The Governor has amended his latest Executive Order and links to the original and amended orders are provided below.

https://gov.texas.gov/uploads/files/press/DISASTER_proclamation_amending_GA-26.pdf (amendment)

https://gov.texas.gov/uploads/files/press/EO-GA-26_expanded_opening_COVID-19.pdf (original)

Attachments/Supporting Documentation

1. City of Lucas Declaration of Public Health Emergency dated June 5, 2020.
2. Governor Abbott's Amended Executive Order
3. Governor Abbott's Original Executive Order

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



**CITY OF LUCAS SUPPLEMENTAL ORDER BY THE MAYOR
FOR PUBLIC HEALTH EMERGENCY**

WHEREAS, beginning in December 2019, a novel coronavirus, now designated SARS-CoV2 which causes the disease COVID-19, has spread through the world and has now been declared a global pandemic by the World Health Organization; and

WHEREAS, symptoms of COVID-19 include fever, coughing, and shortness of breath. In some cases, the virus has caused death; and

WHEREAS, extraordinary measures must be taken to contain COVID-19 and prevent its spread throughout the City of Lucas, Texas, including the quarantine of individuals, groups of individuals, and property as well as compelling individuals, groups of individuals, or property to undergo additional health measures that prevent or control the spread of disease; and

WHEREAS, on March 13, 2020, the Governor of the State of Texas has declared a state of disaster for the State of Texas; and

WHEREAS, on March 19, 2020, the Mayor issued a Declaration of Local Disaster for the Public Health Emergency and the City Council ratified such Declaration on March 26, 2020 and further authorized the Mayor to issue Orders on behalf of the City Council for purposes of the Public Health Emergency; and

WHEREAS, since such Declaration the Governor has issued Executive Orders including minimum standard health protocols for the reopening of certain services; and

WHEREAS, City Ordinance No. 2020-04-00910 was passed on April 16, 2020 and adopted by reference the Executive Orders issued by the Governor Greg Abbott and the previous orders issued by the Mayor Jim Olk and Collin County Judge Chris Hill; and

WHEREAS, the Mayor desires to replace the previous issued City's Orders with this Supplemental Order to ensure that the City's Orders reflect the Governor's Executive Orders issued for the Public Health Emergency.

NOW, THEREFORE, PURSUANT TO THE AUTHORITY VESTED IN THE MAYOR OF THE CITY OF LUCAS, COLLIN COUNTY, TEXAS BY THE CITY CHARTER AS THE PRESIDING OFFICER OF THE GOVERNING BODY OF THE CITY OF LUCAS, AND UNDER TEXAS GOVERNMENT CODE SECTION 418.108, I, JIM OLK, MAYOR OF THE CITY OF LUCAS, TEXAS, DOES HEREBY ORDER THE FOLLOWING:

SECTION 1. The City of Lucas Declaration of Local Disaster for Public Health Emergency issued March 26, 2020 is hereby replaced with this City of Lucas Supplemental Order by the Mayor for Public Health pursuant to Section 418.108(a) of the Texas Government Code.

SECTION 2. The Provisions of Ordinance 2020-04-00910 continues to be in full force and effect.

SECTION 3. On April 27, 2020, Governor Abbott issued an Executive Order (“GA-18) for reopening certain businesses in Texas for in-person services so long as workplace safety rules are followed.

SECTION 4. COMMUNITY GATHERINGS, ESSENTIAL SERVICES AND REOPEN SERVICES. For guidance on community gatherings, essential services and reopen services, please refer to the Governor’s Executive Orders (“GA-21”) or any subsequent orders issued by the Governor.

SECTION 5. All park facilities, including the Community Center, are open and should follow guidelines outlined in the latest Executive Order issued by the Governor.

SECTION 6. Lucas City Council, Planning and Zoning Commission and any other meetings as needed, may meet remotely and until such time as the Governor discontinues to temporarily suspend some of the provisions of the Open Meetings Act or the City Council determines meetings may again resume.

SECTION 7. SEVERABILITY. If any subsection, sentence, clause, phrase, or word of these regulations or any application of them to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of these regulations.

SECTION 8. EFFECTIVE IMMEDIATELY. These regulations shall be effective immediately and continue until they are either rescinded, superseded, or amended or until they expire pursuant to applicable law.

SECTION 9. SUSPENSION AND MODIFICATION OF ORDINANCES.


- a. Any ordinances or regulations that conflict with these regulations are suspended or modified as necessary to make these regulations effective.
- b. Suspension or modification of the ordinances and regulations shall remain in effect until these regulations are terminated or until the public health emergency is terminated, whichever is sooner.

SECTION 10. PENALTIES.

- a. These regulations shall have the effect of ordinances when duly filed with the City Secretary.
- b. A violation of any provision set forth in any of the orders adopted herein shall be subject to criminal penalties as provided for in Ordinance 2020-04-00910.

SECTION 11. That this Order shall take effect immediately from and after its issuance.

ISSUED this 5th day of June 2020.



Jim Olk, Mayor
City of Lucas, Texas



GOVERNOR GREG ABBOTT

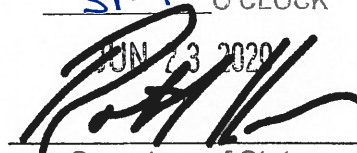
June 23, 2020

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

3pm O'CLOCK

JUN 23 2020

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701


Secretary of State

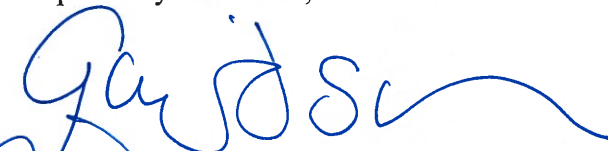
Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation amending Executive Order GA-26 relating to the expanded opening of Texas during the disaster posed by the novel coronavirus (COVID-19).

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,



Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have renewed the disaster declaration for all Texas counties; and

WHEREAS, I issued Executive Order GA-26 on June 3, 2020, relating to the expanded opening of Texas in response to the COVID-19 disaster;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby amend paragraph number 5 of Executive Order GA-26 to read as follows:

5. For any outdoor gathering estimated to be in excess of 100 people, other than those set forth above in paragraph numbers 1, 2, or 4, the county judge or mayor, as appropriate, in consultation with the local public health authority, may impose additional restrictions;

This proclamation shall remain in effect and in full force for as long as Executive Order GA-26 is in effect and in full force, unless otherwise modified, amended, rescinded, or superseded by the governor.



IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 23rd day of June, 2020.

Handwritten signature of Greg Abbott in black ink.

GREG ABBOTT
Governor

ATTESTED BY:

Handwritten signature of Ruth R. Hughs in black ink.

RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3PM O'CLOCK

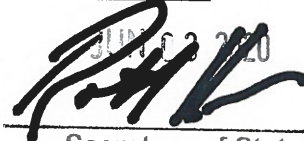
JUN 23 2020



GOVERNOR GREG ABBOTT

June 3, 2020

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4PM O'CLOCK


Secretary of State

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

Executive Order No. GA-26 relating to the expanded opening of Texas in response to the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,



Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
June 3, 2020

EXECUTIVE ORDER GA 26

Relating to the expanded opening of Texas in response to the COVID-19 disaster.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have renewed the disaster declaration for all Texas counties; and

WHEREAS, the Commissioner of the Texas Department of State Health Services (DSHS), Dr. John Hellerstedt, has determined that COVID-19 represents a public health disaster within the meaning of Chapter 81 of the Texas Health and Safety Code; and

WHEREAS, I have issued executive orders and suspensions of Texas laws in response to COVID-19, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, I issued Executive Order GA-08 on March 19, 2020, mandating certain social-distancing restrictions for Texans in accordance with guidelines promulgated by President Donald J. Trump and the Centers for Disease Control and Prevention (CDC); and

WHEREAS, I issued Executive Order GA-14 on March 31, 2020, expanding the social-distancing restrictions for Texans based on guidance from health experts and the President; and

WHEREAS, I subsequently issued Executive Orders GA-16, GA-18, GA-21, and GA-23 over the course of April and May 2020, aiming to achieve the least restrictive means of combatting the threat to public health by continuing certain social-distancing restrictions, while implementing a safe, strategic plan to Open Texas; and

WHEREAS, as normal business operations resume, everyone must act safely, and to that end, this executive order and prior executive orders provide that all persons should follow the health protocols recommended by DSHS, which whenever achieved will mean compliance with the minimum standards for safely reopening, but which should not be used to fault those who act in good faith but can only substantially comply with the standards in light of scarce resources and other extenuating COVID-19 circumstances; and

WHEREAS, the “governor is responsible for meeting ... the dangers to the state and people presented by disasters” under Section 418.011 of the Texas Government Code,

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SECRETARY OF STATE
4PM O'CLOCK

JUN 03 2020

and the legislature has given the governor broad authority to fulfill that responsibility;
and

WHEREAS, failure to comply with any executive order issued during the COVID-19 disaster is an offense punishable under Section 418.173 by a fine not to exceed \$1,000, and may be subject to regulatory enforcement;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, and in accordance with guidance from DSHS Commissioner Dr. Hellerstedt and other medical advisors, the Governor's Strike Force to Open Texas, the White House, and the CDC, do hereby order the following on a statewide basis effective immediately:

Every business establishment in Texas shall operate at no more than 50 percent of the total listed occupancy of the establishment; provided, however, that:

1. There is no occupancy limit for the following:
 - a. any services listed by the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) in its Guidance on the Essential Critical Infrastructure Workforce, Version 3.1 or any subsequent version;
 - b. religious services conducted in churches, congregations, and houses of worship;
 - c. local government operations, including county and municipal governmental operations relating to licensing (including marriage licenses), permitting, recordation, and document-filing services, as determined by the local government;
 - d. child-care services;
 - e. youth camps, including but not limited to those defined as such under Chapter 141 of the Texas Health and Safety Code, and including all summer camps and other daytime and overnight camps for youths; and
 - f. recreational sports programs for youths and adults;
2. Except as provided below by paragraph number 5, this 50 percent occupancy limit does not apply to outdoor areas, events, or establishments, except that the following outdoor areas or outdoor venues shall operate at no more than 50 percent of the normal operating limits as determined by the owner:
 - a. professional, collegiate, or similar sporting events;
 - b. swimming pools;
 - c. water parks;
 - d. museums and libraries;
 - e. zoos, aquariums, natural caverns, and similar facilities; and
 - f. rodeos and equestrian events;
3. This 50 percent occupancy limit does not apply to the following establishments that operate with at least six feet of social distancing between work stations:
 - a. cosmetology salons, hair salons, barber shops, nail salons/shops, and other establishments where licensed cosmetologists or barbers practice their trade;
 - b. massage establishments and other facilities where licensed massage therapists or other persons licensed or otherwise authorized to practice under Chapter 455 of the Texas Occupations Code practice their trade; and
 - c. other personal-care and beauty services such as tanning salons, tattoo studios, piercing studios, hair removal services, and hair loss treatment

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4PM O'CLOCK

JUN 03 2020

- and growth services;
4. Amusement parks and carnivals shall operate at no more than 50 percent of the normal operating limits as determined by the owner, except that in counties with more than 1,000 cumulative cases of COVID-19, amusement parks may not begin operating until 12:01 a.m. on June 19, 2020;
 5. For any outdoor gathering estimated to be in excess of 500 people, other than those set forth above in paragraph numbers 1, 2, or 4, the county judge or mayor, as appropriate, in consultation with the local public health authority, may impose additional restrictions;
 6. For dine-in services by restaurants that have less than 51 percent of their gross receipts from the sale of alcoholic beverages, the occupancy limit shall increase at 12:01 a.m. on June 12, 2020, to permit such restaurants to operate at up to 75 percent of the total listed occupancy of the restaurant;
 7. For indoor bars and similar indoor establishments that are not restaurants as defined above and that hold a permit from the Texas Alcoholic Beverage Commission, only those customers who are seated may be served;
 8. For any business establishment that is subject to a 50 percent "total listed occupancy" limit or "normal operating limit," and that is in a county that has filed with DSHS, and is in compliance with, the requisite attestation form promulgated by DSHS regarding minimal cases of COVID-19, the business establishment may operate at up to 75 percent of the total listed occupancy or normal operating limit of the establishment starting 12:01 a.m. on June 12, 2020;
 9. For purposes of this executive order, facilities with retractable roofs are considered indoor facilities, whether the roof is opened or closed; and
 10. Staff members are not included in determining operating levels, except for manufacturing services and office workers.

Except as provided in this executive order or in the minimum standard health protocols recommended by DSHS, found at www.dshs.texas.gov/coronavirus, people should not be in groups larger than ten and should maintain six feet of social distancing from those not in their group. People over the age of 65 are strongly encouraged to stay at home as much as possible; to maintain appropriate distance from any member of the household who has been out of the residence in the previous 14 days; and, if leaving the home, to implement social distancing and to practice good hygiene, environmental cleanliness, and sanitation.

In providing or obtaining services, every person (including individuals, businesses, and other legal entities) should use good-faith efforts and available resources to follow the minimum standard health protocols recommended by DSHS. Nothing in this executive order or the DSHS minimum standards precludes requiring a customer to follow additional hygiene measures when obtaining services. Individuals are encouraged to wear appropriate face coverings, but no jurisdiction can impose a civil or criminal penalty for failure to wear a face covering.

People shall not visit nursing homes, state supported living centers, assisted living facilities, or long-term care facilities unless as determined through guidance from the Texas Health and Human Services Commission (HHSC). Nursing homes, state supported living centers, assisted living facilities, and long-term care facilities should follow infection control policies and practices set forth by HHSC, including minimizing the movement of staff between facilities whenever possible. Notwithstanding anything herein to the contrary, the governor may by proclamation add to the list of establishments or venues that people shall avoid visiting.

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SECRETARY OF STATE
O'CLOCK

JUN 03 2020

For the remainder of the 2019-2020 school year, public schools may resume operations for the summer as provided by, and under the minimum standard health protocols found in, guidance issued by the Texas Education Agency (TEA). Private schools and institutions of higher education are encouraged to establish similar standards. Notwithstanding anything herein to the contrary, schools may conduct graduation ceremonies consistent with the minimum standard health protocols found in guidance issued by TEA.

This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster, but only to the extent that such a local order restricts services allowed by this executive order, allows gatherings prohibited by this executive order, or expands the list or scope of services as set forth in this executive order. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order, provided that local officials may enforce this executive order as well as local restrictions that are consistent with this executive order.

All existing state executive orders relating to COVID-19 are amended to eliminate confinement in jail as an available penalty for violating the executive orders. To the extent any order issued by local officials in response to the COVID-19 disaster would allow confinement in jail as an available penalty for violating a COVID-19-related order, that order allowing confinement in jail is superseded, and I hereby suspend all relevant laws to the extent necessary to ensure that local officials do not confine people in jail for violating any executive order or local order issued in response to the COVID-19 disaster.

This executive order supersedes Executive Order GA-23, but does not supersede Executive Orders GA-10, GA-13, GA-17, GA-19, GA-20, GA-24, or GA-25. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.



Given under my hand this the 3rd
day of June, 2020.

Handwritten signature of Greg Abbott in black ink.

GREG ABBOTT
Governor

ATTESTED BY:

Handwritten signature of Ruth R. Hughs in black ink.

RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4 PM O'CLOCK

JUN 03 2020