



**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:

  
\_\_\_\_\_  
Mayor Jim Olk

ATTEST:

  
\_\_\_\_\_  
Stacy Henderson, City Secretary