

**MINUTES OF THE BUDGET WORKSHOP
AND REGULAR MEETING
OF THE OAK LEAF CITY COUNCIL
HELD ON JULY 13, 2010 AT 7:00 P.M.
AT OAK LEAF CITY HALL**

I. CALL TO ORDER & ROLL CALL:

Council Members Present:

Mayor Paul Klooster

Mayor Pro Tem Pat Mahlstedt

Councilman Craig Wilson

Councilman Jim Tuma

Councilman Ron Spurlock

Councilman Ray Brindle

City Staff Present:

City Secretary Ronda Quintana

MAYOR KLOOSTER CALLED THE REGULAR COUNCIL MEETING TO ORDER AT 7:03 P.M., ANNOUNCED A QUORUM PRESENT AND STATED THE AUDIENCE PARTICIPATION AND PROCLAMATION WOULD PRECEDE THE BUDGET WORKSHOP.

II. INVOCATION AND PLEDGE OF ALLEGIANCE:

The mayor then proceeded to give the Invocation which was followed by the declaration of the Pledge of Allegiance.

III. AUDIENCE PARTICIPATION

Mayor Klooster addressed the audience stating he had visited with Susan and Gordon Walker (citizens at 104 Walnut Drive) just prior to the meeting regarding drainage problems on their property. Klooster informed the audience that the city is planning to start the drainage project in August. The property owners who will be affected by the drainage work will receive a personal visit by the mayor or a council member to obtain permission. If any property owner does not agree to allow the city access, then the property owner will be held responsible for correcting the drainage issue on the property. The mayor mentioned no drainage work has been done by the city since the early 1990's.

Mr. and Mrs. William Shubrook (citizens at 2024 Willow Bend Drive) were then invited to speak. Mrs. Shubrook stated she has had over two thousand dollars of damage to her car due in part to the potholes along Willow Bend Drive and Locust Drive. The roads are unsafe for vehicles and walkers. She requested the roads be repaved.

Mr. and Mrs. Michael Williams (citizens at 2020 Willow Bend Drive) were called upon to speak. Mr. Williams indicated he has also become aware of the potholes along the two roads mentioned by Mrs. Shubrook. He stated his wife was almost hit by a vehicle trying to dodge the potholes while she was out walking.

Mayor Klooster commented by stating the city has already spent the amount budgeted for pothole repairs and would be voting on another six thousand dollars to fix the current potholes later in the meeting. The city is also looking into redoing the major thoroughfares with asphalt resurfacing, instead of the usual chip seal treatment. The mayor remarked that there is money budgeted for resurfacing, and the longer lasting asphalt overlay will be more expensive.

Mr. Williams stated he knows some good asphalt companies to do the work. Mayor Klooster indicated the city will be getting competitive proposals for the road work once the core samples have been done.

Mr. Barry Young (citizen at 1003 Lariat Circle) inquired as to whether the city already had the road core makeup information on file. Klooster stated the city does not.

Mr. Craig McBride (property owner at 833 Red Oak Creek Drive, Ovilla, Texas) was then invited to speak. He indicated that the roads are in bad shape and wanted to know when they were going to be repaired. Mayor Klooster stated the pothole repair work should be done by the end of July.

Since Mr. Tim Henry (citizen at 1006) and Mr. Barry Young did not indicate a reason to speak on the speaker sign-in sheet, the mayor stated they would be recognized to speak during the discussion of any Agenda item at their request.

IV. PROCLAMATION

Mr. Bob Wilson and Mr. Stephen Pape, representatives of HILCO Electric Cooperative, Inc., were presented with a Proclamation by Mayor Klooster commending HILCO for recycling of old electronic equipment for three years.

V. ADJORNMENT OF REGULAR MEETING AND CONVENING OF BUDGET WORKSHOP AT 7:15 P.M.:

The mayor indicated the City of Oak Leaf has an operating budget of approximately four hundred thousand dollars (\$400,000.00). The three closest adjacent cities to Oak Leaf (Red Oak, Glenn Heights and Ovilla) have budgets between four and fifteen million dollars. Oak Leaf also has the second lowest property tax rate in Ellis County.

Klooster proceeded to discuss the proposed 2010-2011 Fiscal Year Budget. During the discussion of the proposed budget, the following items were mentioned:

Property Taxes (Item 44010)
Interest and Sinking Taxes (Item 44011)
Legal Fees (Item 51001)
Engineering Expense (Item 51220)
Road Resurfacing Expense (Item 55020)
Drainage expense (Item 55040)

Miscellaneous Income (Item 45030)
TXU Street Lights Expense (Item 57010)
HILCO Street Lights Expense (Item 57020)
Animal Control Expenses (Item 59010)
Ambulance Service Expense (Item 59040)

Mayor Klooster commented on another bridge grant opportunity being considered by the city to replace the existing one-lane Wood Haven Bridge due to its age and condition. The new two-lane bridge project is estimated at seven hundred ten thousand dollars (\$710,000.00). The city would be responsible for at least ten percent of the expenses.

With regards to the engineering and road resurfacing expenses, the mayor mentioned the city has hired a geotechnical company to ascertain the base materials of the roads before any resurfacing is done. If the base is found to be too weak, it will have to undergo a milling/rototilling process to grind up the base. Then stabilizing agents such as Portland cement, lime and flexbase will be added. The mixture will be compacted. Then a two-inch layer of asphalt can be applied.

In relation to the animal control expense, Klooster explained the city has an Interlocal Agreement with the City of Ovilla. Along with regular expenses involved with animal control, the city also has the responsibility of paying an hourly fee to Ovilla personnel serving as a witness during an Oak Leaf litigation matter regarding animal control.

The Council was informed that the cost of ambulance service would increase by two percent for the upcoming fiscal year. The new amount would be three thousand one hundred and one dollars (\$3,101.00). With that said, the mayor stated he would not be able to attend the scheduled budget workshop on July 29th; therefore, he proposed an alternative date of August 12th. Klooster asked Council to contact Staff if there were any conflicts with the new date.

With no further comments from the council members, Mayor Klooster asked for a motion to adjourn from the budget workshop. Mayor Pro Tem Mahlstedt made the motion, and Councilman Brindle seconded the motion.

Ayes: All present voted aye.

Nays: None

The motion passed.

VI. ADJOURNMENT OF BUDGET WORKSHOP AND CONVENING INTO REGULAR MEETING AT 7:55 P.M.: Immediately following the budget workshop, Mayor Klooster called the Regular Council Meeting to order.

A. Approval of the June 8, 2010 Meeting Minutes

The June 8, 2010 Council Meeting Minutes were reviewed, and a correction was suggested by Councilman Wilson to add the word “estimated” on Page 5, Section IV. - Regular Agenda Items, Subsection H. – Discussion and Approval to Execute an Agreement With Landtec for Geotechnical Services Related to Researching Existing Base Conditions of Various Streets Within the City of Oak Leaf.

During the June Council Meeting, the council members had agreed to finance road base analysis of the streets within Oak Leaf before any resurfacing projects were started. If the street base is in good condition, the estimated cost to resurface one mile of road would be two hundred and fifty thousand dollars (\$250,000.00).

If the base is in poor condition, the estimated cost would be three hundred and fifty thousand dollars (\$350,000.00) per mile. Mahlstedt made a motion to accept the corrected minutes, and Wilson seconded the motion. No additional comments were made by the Council; therefore, Klooster called for a vote.

Ayes: Mayor Pro Tem Mahlstedt, Councilman Spurlock, Councilman Tuma, and Councilman Wilson
Abstains: Councilman Brindle
Nays: None
The motion passed.

B. Consideration and Approval of a Variance Request for an Accessory Structure at 705 Rock Creek Drive

Klooster stated Mr. and Mrs. Bounds had submitted a variance request to construct an accessory building in excess of the lot size allotment for accessory structures by seventy-two square feet. The property owners solicited their neighbors' written consent and submitted the required paperwork to City Staff. The mayor identified there was no opposition to the variance request. If eighty percent (80%) or more of the neighboring property owners agree to the variance request, a simple majority vote by Council (three out of five) is required. If more than twenty percent (20%) oppose the variance request, a super majority (four out of five) is required. With no comments made by the council members, the mayor asked for a motion. Councilman Spurlock made a motion to approve the variance. Mayor Pro Tem Mahlstedt seconded the motion. Klooster called for a vote.

Ayes: All present voted aye.
Nays: None
The motion passed.

C. Discussion of Ordinance 1007 – An Ordinance Amending Chapter 6.000 – Health and Safety, Article 6.400 – Miscellaneous Nuisances, Section 6.401 – Power to Define and Prohibit

The mayor introduced Ordinance 1007 to the audience and described the ordinance process. When an ordinance is introduced to Council for the first time, it is a discussion item only. Then in a subsequent meeting it may become an action item. He then asked the city secretary to state the purpose of the ordinance. The secretary replied that while investigating the wording of the miscellaneous nuisances ordinance, she discovered portions of it pertained to a Type C government. Since Oak Leaf is a Type A government, it was necessary to make modifications to the current code.

Councilman Wilson stated he was in favor of making changes to correct the code but would prefer to have the city attorney and Franklin Legal review the proposed changes before Council voted on the ordinance. Wilson indicated he would like the two entities to confirm the wording changes would not conflict with current codes. The item was then tabled to the next Council Meeting.

D. Discussion and Approval of \$6,060.00 for Pothole Repairs

Mayor Klooster inquired if Council had any questions regarding the road repairs proposal submitted by Pavecon, Inc. Mahlstedt asked about Item K (Sub-grade must be +/- 0.10': Proof rolling and yielding to be corrected by others.) and whether these two actions would need to be done by another company. Klooster replied by stating the wording of Item K is standard contract language, and Pavecon would handle the rolling and yielding for Oak Leaf. The mayor then explained the two proposal amounts of \$6,060.00 and \$8,332.00. The smaller amount would pay for current potholing needs and the larger amount would pay for future repair needs. With no further comments from the council members, the mayor asked for a motion. Mahlstedt made the motion to approve the \$6,060.00 for current repairs, and Councilman Brindle seconded the motion. The mayor called for a vote.

Ayes: All present voted aye.

Nays: None

The motion passed.

Klooster then stated Pavecon has a two-week scheduling time frame.

E. Discussion and Approval of Additional Legal Expenses Regarding the Indian Hills Lawsuit

The mayor indicated the city has incurred seven thousand eight hundred dollars (\$7,800.00) in legal expenses for the fiscal year. He then stated it was possible for the city to expend an additional thirty thousand (\$30,000.00) before the fiscal year ended on September 30th. This combined amount would be over the budgeted \$36,000.00. Mayor Klooster stated he had been recently contacted by the developer, Ron Crabtree, regarding a mediation letter sent back in March. Mr. Crabtree's attorney had apparently not shared the mediation information with Mr. Crabtree, and he was asking for a sit-down meeting to discuss things.

Klooster then commented that a satisfactory resolution to the issue was highly unlikely, and the court trial would proceed as scheduled. The city's attorney has also hired a consultant to determine what should have been done per J.D. Landes' original street design and what Rone Engineering actually did. In addition, the consultant will also determine what needs to be done to make things right; thus adding to the legal fees.

VII. OLD BUSINESS:

- A. Discussion of Resolution 1003- A Resolution of the City of Oak Leaf, Texas, Approving and Adopting the City of Oak Leaf Investment Policy and Providing an Effective Date
Mayor Klooster opened discussion of Resolution 1003 stating this item had been discussed during the last two previous Council Meetings. He then asked if Council had any questions or comments regarding the resolution. Councilman Wilson inquired about the delegation of authority on page three stating there was no term of office listed and no clause for removal of investment officer(s). Councilman Brindle responded by stating he had copied the language from the Texas Attorney General's website. Brindle then stated a term could be established when Council approved the resolution. He also mentioned that the Investment Policy methods are not limiting but rather suggesting investment strategies. The discussion of the Investment Policy then progressed to the definition of liquidity on page two and the adding and removal of wording on pages four and six. The mayor then asked for a motion, and Mahlstedt made a motion to approve Resolution 1003 with the indicated corrections. Councilman Tuma seconded the motion.

Ayes: All present voted aye.

Nays: None

The motion passed.

Mayor Klooster indicated a council member to serve along with the mayor as an Investment Policy officer would be voted on at the next Council Meeting.

- B. Discussion and Approval of Ordinance 1005 – An Ordinance Amending Chapter 10 – Traffic Control, Article 10.100 – Definitions and Article 10.1000 – Parking of Commercial and Oversized Vehicles and Adding Sections, 10.1001 – Parking Prohibited, 10.1002 - Violations

The mayor stated Ordinance 1005 was created to modify the vehicle definitions section, to make changes to parking of commercial or oversized vehicles, to prohibit the parking of tractor trailers on residential property, and to add a violation section. Mayor Pro Tem Mahlstedt inquired about church vehicles not being classified as commercial motor vehicles. Mayor Klooster indicated that they cannot be regulated by the city, because they are church property. Councilman Wilson asked if the city was duplicating any of the Vernon's Civil Statutes definitions. Klooster stated he would have Staff investigate the matter and then tabled the item to the next Council Meeting.

- C. Discussion and Approval of Ordinance 1006 – An Ordinance Amending Chapter 7 – Offenses and Nuisances, Article 7.400 – Abandoned and Junked Motor Vehicles, Sections 7.401 – Definitions and 7.407 – Junked Vehicles as a Public Nuisance

Klooster explained that Ordinance 1006 had been before the Council during two previous meetings and asked the council members if they had any comments or questions. Wilson inquired as to why the city was using its own definitions rather than those given by the Texas Department of Transportation or Vernon's Civil Statutes.

Mayor Klooster responded the city may choose to have more stringent definitions than what is offered by TxDOT or Vernon's Civil Statutes. He then asked Councilman Spurlock if he was satisfied with the changes to street rods and antique vehicles. Spurlock replied that they were adequate. Klooster then tabled the item to the next Council Meeting for further research.

D. Discussion of the Texas Department of Transportation's Offer to Replace the Woodhaven Bridge with a Majority of the Funding Provided by the Federal Highway Administration

During the June Council Meeting, the conversion of Woodhaven Bridge into a pedestrian bridge was discussed, as well as the conversion of a private drive (located on the northeast corner of Woodhaven drive) into a public thoroughfare. Mayor Klooster stated the legal property owners and easements have yet to be identified. The Council will then have to decide to use eminent domain to create the road.

The city also has the option to contract with TxDOT to build a new two-lane concrete bridge using grant monies from the Federal Highway Administration. This would involve getting right-of-way from four property owners whose properties touch the current Woodhaven Bridge. The cost of building a new bridge is around \$713,500.00, and the city would be responsible for ten percent (10%) of the expenses.

If the city chooses not to participate in the grant offer, it has the option to bring the existing bridge up to an acceptable TxDOT rating, or the city could build a new one-lane bridge with an estimated cost of \$400,000.00 to \$500,000.00.

Audience participant, Mr. Young, inquired as to the possibility of the TxDOT building another one-lane bridge. Klooster responded by stating the State of Texas will not likely support a one-lane bridge. It would have to be a two-lane structure.

Councilman Wilson indicated he would speak with TxDOT engineer, Scott Morrow, to determine if aesthetic features such as paint and railings could be added and would such additions be covered under the grant. Wilson also stated the area TxDOT office is still waiting for a formal communication from the city regarding the bridge offer. Klooster acknowledged the request. He also indicated each option would be researched, a study would be done of the costs and public input would be considered. The mayor then asked for a motion to give him the authority to request the Woodhaven Bridge be included in the TxDOT bridge replacement program. Wilson made the motion, and Brindle seconded it.

Ayes: All present voted aye.

Nays: None

The motion passed.

VIII. MAYOR'S UPDATE:

A. MEETINGS AND SEMINARS

- 44th Annual NCTGOG General Assembly Workshop, Luncheon and Meeting on June 18, 2010 – No council member was able to attend.
- NECCC Meeting with TxDOT regarding Loop 9 Project – Mayor Klooster stated the next NECCC Meeting will be on July 15th, and he will be able to get an update at that time. He explained Loop 9 will circle the DFW Metroplex and will be two hundred miles in length. As for Ellis County, Loop 9 will pass along the Ellis/Dallas County line. It will be a multilane highway with HOV lanes.

Audience participant, Mr. Young, asked where he could get more information about Loop 9. The mayor replied there is a Loop 9 link on the Oak Leaf website.

- Progress North Texas Meetings – The city received an information sheet from the North Central Texas Council of Governments regarding the discussion of the current state and future of transportation and air quality in the Dallas-Fort Worth area. There will be three meetings held (July 19th, July 20th, and July 21st) at different Metroplex locations. Klooster indicated anyone interested in attending a meeting could contact City Hall or go on-line to www.nctcog.org/trans/outreach/meetings.

B. DELINQUENT PROPERTY TAXES UPDATE

There is no update.

C. C.O.O.L. (CITIZEN OF OAK LEAF) RECOGNITION

The mayor invited all audience participants to contact City Staff if they knew of someone who should receive recognition as an Oak Leaf citizen, such as an athlete, a business person, a volunteer, etc. For example, in the last few months, the city has recognized a citizen who is a sports photographer. The citizen had entered a national Canon sports photography contest and finished in second place.

D. MISCELLANEOUS ITEMS

- Environmental Clean-up Day on September 25, 2010 at City's Municipal Building Parking Lot

The second annual Environmental Clean-up event will take place on September 25th from 9:00 to 11:00 a.m. at City Hall. Each household will be required to pay \$47.00 in order to participate. This amount is dictated by the Interlocal Agreement with the Fort Worth Environmental Collection Center. A list of what household chemical wastes will and will not be accepted is on the city's website. The city will also send written notification as the event draws closer. The Fort Worth ECC's hazardous waste unit has the capacity to accept waste from fifty to one hundred households, depending on the amounts being dropped off.

- Update on Interlocal Agreement for On-site Septic Facilities Between the City of Oak Leaf and Ellis County
Klooster inquired as to the term of the Interlocal Agreement with Ellis County and was informed there is no term. The county just needed to update the Agreement. He then stated Ellis County approves and reviews all septic systems and aerobic systems within Oak Leaf. Aerobic systems require monthly inspections. The mayor indicated he foresees the State of Texas dictating a timeline for all counties to establish sewer systems for municipalities like Oak Leaf. Of course, it may take decades before such an announcement occurs.
- July Municipal Court Date Moved to August 5, 2010 at 7:00 p.m.
The July 15th Court date has been moved to August 5th due to scheduling issues with the city's municipal judge and prosecuting attorney. The regularly scheduled August Court date is still set for August 19th, if needed.

IX. REPORTS:

A. LAND/BUILDING:

There is no update.

B. LEGAL:

1. NUISANCES

- a. 1200 Block of Lariat Circle – Flood Plain Violations - The property owner remains in violation of the city's flood plain ordinance; however, due to the wet weather conditions, the owner's ability to rectify the illegal action has been significantly hampered and additional time is required to comply.
- b. Previously Recorded Liens Total – The updated amount is \$4,961.77.
- c. Property Liens That Have Paid Off – The properties at 115 Hackberry Street and 505 Winding Creek Trail have recently changed ownership, and the liens have been paid off.

2. LITIGATION

- a. Indian Hills Subdivision Update – The city filed a lawsuit against the Indian Hills Subdivision developer to recoup the road repair expenses after the roads failed and to get the work done properly. This legal process began in 2006.

- b. Glenn Heights Annexation Update - The annexation litigation between Oak Leaf and Glenn Heights started in 1987 regarding the annexation of a Little Creek Estates Subdivision and all of Shafer Acres via Ordinances 871 and 872. In the past, several offers had been made by each party to resolve this issue, but to date neither side has come to an agreement. Mayor Klooster stated since there is no term limit on annexation law, the legal dispute may continue indefinitely until such time when city councils mutually agree to resolve the matter.
- c. 907 Lark Lane
 - TCEQ Litigation Update - The mayor mentioned the TCEQ legal matter regarding the four leaking underground gas tanks of the former CITGO gas station located at 907 Lark Lane. The property owner appears to be ignoring all communications with the TCEQ. In a recent TCEQ court decision, an administrative penalty of \$10,221.00 was assessed for violations of state statutes and TCEQ rules. All three businesses located at 907 Lark Lane are considered by the city as nonconforming uses within the Shafer Acres Subdivision.

3. STATUS REPORT ON PREVIOUSLY RESOLVED NUISANCE ISSUES

There is no update.

C. PUBLIC WORKS:

1. Road Maintenance and Repairs – Potholing repairs were discussed earlier in the meeting.
2. City-Wide Drainage Project - The city will be ascertaining what drainage issues exist and will be bringing in a contractor to clean out the silted areas. When necessary, some areas may need to have rip rap brought in. Klooster stated he hoped to get the process going in August and completed before the end of the budget year.

D. SECRETARY'S REPORT:

1. Update on HILCO Electronics Recycling Event on June 29th and 30th – City Secretary Quintana indicated the third annual HILCO electronics recycling event was a success. This year's event was scheduled for only two days, which contrasts to the week-long events of the last two years, and they still managed to collect the same amount of electronics. One hundred pallets of electronics were collected and filled four tractor trailers. They will be shipped to Round 2 Inc for recycling.
2. Solutions for Acoustics Problem in the Council Chamber – Quintana indicated Staff is investigating the possibility of using an area carpet under the Council's tables to help buffer the excess reverberations in the Council Chamber. Should Council determine that the acoustics are not at an acceptable level; they will take action at that time.

3. Update on Interlocal Agreement for Inspections of Non-Residential Properties Within Oak Leaf

There is no update.

4. Oncor's Take a Load Off, Texas City Matching Grant Program – The city is considering the replacement of the HVAC unit which controls the Council Chamber section of the Municipal Building. Since the administrative side's HVAC unit had to be replaced last year, there is a good possibility of the other unit failing in the next few years. Oncor's 50/50 grant would allow the city to purchase a new HVAC unit at an affordable price.

Mr. Stephen Pape, representative of Pape Air Conditioning and Heating and audience participant, stated he has given a proposal for replacing the HVAC unit and would be glad to also give the city a bid for replacing the T-12 lighting units with T-8 lighting units as part of a second grant available through Oncor. Mayor Klooster indicated that Staff should get at least two more HVAC and lighting proposals.

5. 9-1-1 Addressing Meeting on June 28, 2010

Quintana attended the third 9-1-1 Addressing Meeting on June 28th in which the readdressing of S. Westmoreland was discussed. After some deliberation, the addressing coordinators for Ellis County, Oak Leaf, Ovilla, and Waxahachie agreed to readdress S. Westmoreland Road from Red Oak Creek Road going south to Mattie Road. The numbering of Westmoreland Road will remain the same, but the directional identification (South) will be removed. The change was deemed necessary to correct identifier locations for fire and ambulance calls, U.S. Postal and Fed-Ex/UPS deliveries and to comply with addressing statewide standardization guidelines.

X. ADJORNMENT:

Mayor Klooster asked Council if they had any further comments or concerns. None were made, and a motion to adjourn was made by Mahlstedt at 9:12 p.m. It was seconded by Wilson.

Ayes: All present vote aye.

Nays: None.

The motion passed.

PASSED THIS _____ DAY OF _____, 2010

Paul Klooster, Mayor

ATTEST: _____
Ronda Quintana, City Secretary