



Minutes  
March 20, 2018  
City of Lavon City Council  
Lavon City Hall, 120 School Rd., Lavon, TX  
Regular Meeting – Work Session  
7:00 P.M.

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ATTENDING: CHUCK TESKE, MAYOR  
VICKI SANSON, MAYOR PRO TEM, PLACE 1  
MIKE COOK, PLACE 2  
KAY WRIGHT, PLACE 3  
TIM DAVIS, PLACE 4  
MINDI SERKLAND, PLACE 5

1. **MAYOR TESKE CALLED THE MEETING TO ORDER AT 7:00 P.M. AND ANNOUNCED A QUORUM PRESENT.**

2. **MAYOR TESKE LED THE RECITATION OF THE PLEDGE OF ALLEGIANCE AND DELIVERED THE INVOCATION.**

3. **PRESENTATIONS**

Mayor Teske presented former council member Donnie Spradlin with a plaque of appreciation for his service to the City of Lavon.

4. **CITIZENS COMMENTS**

There were none.

5. **ITEMS OF INTEREST/COMMUNICATIONS**

- Easter Celebration – March 24, 2018
- Lavon Economic Development Corporation (LEDC) Small Business Bazaar – April 28, 2018

6. **CONSENT AGENDA**

A. **Approve the Minutes of the March 6, 2018 Meeting.**

B. **Accept the Heritage Public Improvement District #1 Assessment Report Summary dated 2/28/2018 and authorize the payment of invoices included therein.**

C. **Approve Ordinance No. 2018-03-02 amending Ordinance No. 1997-12-08 as previously amended, the same being the Comprehensive Zoning Ordinance of the City of Lavon, and amending Zoning Map 02-13-13, to adopt the new zoning regulations; providing for the adoption of the Lavon Comprehensive Zoning Ordinance and Zoning Map as set forth in Exhibits A and B thereto; providing a penalty for violation; and providing an effective date.**

**MOTION: APPROVE THE CONSENT AGENDA.**

MOTION MADE: SANSON

SECONDED: DAVIS

APPROVED: UNANIMOUS

7. **ITEMS FOR CONSIDERATION**

A. **Discussion and action regarding Resolution No. 2018-03-01 authorizing the Mayor to execute a Participation Agreement with the Atmos Cities Steering Committee.**

City Administrator Kim Dobbs provided information regarding many cities' participation in steering committees that assist in the review and management of rate regulation and other franchise matters for gas and electrical utilities. Dobbs notes that the Atmos Cities Steering Committee (ACSC) has 173 municipal members and introduced Thomas Brocato, Lloyd, Gosselink, Rochelle & Townsend, PC who represents cities through the Atmos Cities Steering Coalition explained the agreement. Mr. Brocato described and answered questions regarding the services, benefits and costs associated with joining the ACSC.

**MOTION: APPROVE RESOLUTION NO. 2018-03-01 AUTHORIZING THE MAYOR TO EXECUTE A PARTICIPATION AGREEMENT WITH THE ATMOS CITIES STEERING COMMITTEE.**

MOTION MADE: SERKLAND  
SECONDED: WRIGHT  
APPROVED: UNANIMOUS

- B. Discussion and action regarding Ordinance No. 2018-03-03 approving a tariff authorizing an annual rate review mechanism ("RRM") as a substitution for the annual interim rate adjustment process defined by Section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company") and the Steering Committee of cities served by Atmos; requiring the Company to reimburse cities' reasonable ratemaking expenses; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the Open Meetings Act; declaring an effective date; and requiring delivery of this ordinance to the Company and legal counsel for the Steering Committee.**

Mr. Brocato provided information regarding the annual rate review mechanism and the process requested by Atmos Energy Corporation, Mid Tex Division. Mr. Brocato clarified that the proposed ordinance authorizes the process and is not rate change in and of itself. Ms. Dobbs introduced Eva Hummel, Manager of Public Affairs, Atmos Energy Corporation who offered to answer the Council's questions. Ms. Hummel further noted that a current rate reduction for homeowners and businesses will go into effect in March.

**MOTION: APPROVE ORDINANCE NO. 2018-03-03 APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM ("RRM") AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITY CODE AND NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEXDIVISION ("ATMOS MID-TEX" OR "COMPANY") AND THE STEERING COMMITTEE OF CITIES SERVICED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES' RESONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE.**

MOTION MADE: DAVIS  
SECONDED: SANSON  
APPROVED: UNANIMOUS

- C. Discussion and action regarding the Public Utility Commission of Texas inquiry relating to the 2018 consumer price index (CPI) adjustment to municipal telecommunications right-of-way access lines rates.**

Ms. Dobbs reviewed correspondence from the Public Utility Commission relating municipal telecommunications right-of-way access lines.

**MOTION: TAKE NO ACTION REGARDING THE PUBLIC UTILITY COMMISSION OF TEXAS INQUIRY RELATING TO THE 2018 CONSUMER PRICE INDEX (CPI)**

**ADJUSTMENT TO MUNICIPAL TELECOMMUNICATIONS RIGHT-OF-WAY ACCESS LINES RATES.**

MOTION MADE: WRIGHT  
SECONDED: COOK  
APPROVED: UNANIMOUS

- D. PUBLIC HEARING, discussion and action regarding an application submitted by Kelly Duncan, Big Daddy's Roadhouse BBQ for a variance to Ordinance No. 2003-04-01, Sign Ordinance, Section 16 Sign Standards to waive the requirement that a Freestanding Sign shall be a Monument Sign at 1000 SH 78, Lavon, Texas on the southwest corner of the intersection of SH 78 and SH 205.**

**Presentation of request.**

Ms. Dobbs provided information regarding the site and location of the existing sign for which the variance is requested and advised that property owners within one-hundred feet of the site had been mailed a notice of the request and public hearing. Ms. Dobbs explained that the pole sign is presently in violation of the requirement that a freestanding sign shall be a monument sign. Applicant Kelly Duncan reviewed slides of his restaurant and the newly constructed sign. Mr. Duncan noted that this is his 19<sup>th</sup> year in business in Lavon and expressed how the lengthy construction on SH 78 had affected the visibility and success of his business.

**PUBLIC HEARING to receive comments regarding the request.**

Mayor Teske opened the public hearing at 7:17 p.m. and opened the floor for public comment at 7:17 p.m. Mr. Duncan expressed support for the request and provided justification for the variance. There being no further comments, Mayor Teske closed the floor to public comment at 7:21 p.m. and closed the public hearing at 7:21 p.m.

**Discussion and action regarding the request.**

Mayor Teske stated that given the nature of the sign and business he supported the variance request.

**MOTION: APPROVE A VARIANCE REQUESTED BY KELLY DUNCAN, BIG DADDY'S ROADHOUSE BBQ TO ORDINANCE NO. 2003-04-01, SIGN ORDINANCE, SECTION 16 SIGN STANDARDS TO WAIVE THE REQUIREMENT THAT A FREESTANDING SIGN SHALL BE A MONUMENT SIGN AT 1000 SH 78, LAVON, TEXAS ON THE SOUTHWEST CORNER OF THE INTERSECTION OF SH 78 AND SH 205.**

MOTION MADE: WRIGHT  
SECONDED: DAVIS  
APPROVED: UNANIMOUS

- E. Discussion and action regarding Ordinance No. 2018-03-04 adopting regulations for alcoholic beverages; amending the fee schedule; providing a severability clause; providing a repealer clause; providing for a penalty of fine not to exceed \$500.00 per offense and providing an effective date.**

Ms. Dobbs provided information regarding the regulations pertaining to the sale of beer and wine for off-premise consumption and the relocation of the regulations from the Zoning Ordinance to the general business regulations of the City.

**MOTION: APPROVE ORDINANCE NO. 2018-03-04 ADOPTING REGULATIONS FOR ALCOHOLIC BEVERAGES; AMENDING THE FEE SCHEDULE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED \$500.00 PER OFFENSE AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: SERKLAND  
SECONDED: COOK  
APPROVED: UNANIMOUS

**F. PUBLIC HEARING, Discussion and action regarding Ordinance No. 2018-03-05 regulating sexually oriented businesses; amending the fee schedule; providing a penalty clause and providing an effective date.**

**Presentation of request.**

Ms. Dobbs recapped the City Council's March 6, 2018 adoption of the case studies conducted by the Texas City Attorneys Association (TCAA) Board of Directors determining the extent to which retail only sexually oriented businesses with no on-premises entertainment cause harmful effects on surrounding property values and crime rates, including several other case studies. Ms. Dobbs reviewed the regulations proposed, including the requirement for a 1,000 foot buffer from certain businesses and establishments and fees for permits.

**PUBLIC HEARING to receive comments regarding the request.**

Mayor Teske opened the public hearing at 7:29 p.m. and opened the floor for public comment at 7:29 p.m. No comments were offered in support of or opposition to the proposed ordinance. Mayor Teske closed the floor to public comment at 7:29 p.m. and closed the public hearing at 7:29 p.m.

**Discussion and action regarding the request.**

In response to the Council's inquiry, Police Chief Mike Jones stated that from a public safety perspective he supports the proposed regulations and recommends approval.

**MOTION: APPROVE ORDINANCE NO. 2018-03-05 REGULATING SEXUALLY ORIENTED BUSINESSES; AMENDING THE FEE SCHEDULE; PROVIDING A PENALTY CLAUSE AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: WRIGHT  
SECONDED: COOK  
APPROVED: UNANIMOUS

**G. Discussion and action regarding a Request for Qualifications for city engineering services and to solicit responses for city council consideration.**

Ms. Dobbs described the process for requesting qualifications (RFQ) for professional service providers, such as engineers and architects and provided a draft RFQ document for city engineering services.

**MOTION: DIRECT THE CITY ADMINISTRATOR TO PROCEED AND MOVE FORWARD WITH THE REQUEST FOR QUALIFICATIONS FOR CITY ENGINEERING SERVICES AND APPOINT MAYOR TESKE, COUNCIL MEMBER MIKE COOK AND MS. DOBBS TO SERVE AS A SUB-COMMITTEE TO REVIEW THE QUALIFICATION STATEMENTS AND SUBMIT A RECOMMENDATION TO THE CITY COUNCIL ON MAY 1, 2018.**

MOTION MADE: TESKE  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS

**H. Discussion and action regarding recent Texas Transportation Commission action relating to the removal of the 42½ foot height restriction on billboards.**

As requested by Ms. Wright, the City Council considered information from Scenic America regarding billboard height regulations and the related potential impact on the entry corridors into the City.

**MOTION: DIRECT STAFF TO WRITE TO ELECTED STATE OFFICIALS ADVISING OF THE CITY COUNCIL'S OPPOSITION TO INCREASING BILLBOARD HEIGHT AND SUPPORT FOR MAINTAINING BILLBOARD HEIGHTS AT 42 ½ FOOT.**

MOTION MADE: WRIGHT  
SECONDED: COOK  
APPROVED: UNANIMOUS

**I. Discussion and action regarding the disposition of surplus police vehicles.**

Chief Jones provided background regarding a recent state law, H.B.3223 that significantly restricts a city's ability to dispose of surplus police vehicles. Chief Jones noted that future vehicle purchases would be finished out differently to increase the City's options for vehicle disposal. Chief Jones informed the Council that the Police Department has retired Unit 27 from service and wishes to dispose of the vehicle; however, the costs to prepare the vehicle for public sale in accordance with H.B. 3223 exceed the value of vehicle. Chief Jones proposed an alternate disposal option prescribed by H.B. 3223 that would not require the costly preparation: to auction the vehicle to a full-time sworn law enforcement officer employed by the City of Lavon. Mr. Cook suggested that surplus vehicles might be welcome donations to programs at Community Independent School District for different vocational programs that may be offered.

**MOTION: DIRECT THAT POLICE DEPARTMENT UNIT 27 BE AUCTIONED IN HOUSE TO A FULL TIME SWORN CITY OF LAVON LAW ENFORCEMENT OFFICER AND THAT FUTURE DISPOSITIONS WOULD BE RETURNED THE CITY COUNCIL FOR CONSIDERATION ON A CASE-BY-CASE BASIS.**

MOTION MADE: SANSON

SECONDED: DAVIS

APPROVED: UNANIMOUS

**J. Discussion and action regarding board and commission appointments – Parks and Recreation Board.**

Ms. Dobbs advised that Danette McCrary resigned from her appointment to Place 3 of the Parks and Recreation Board. The City Council considered that alternate Parks and Recreation Board member David Hawkins is actively running for election to the Bear Creek Special Utility District Board of Directors that meets on the same night as the Parks and Recreation Board. No action was taken.

**8. STAFF REPORTS**

- A. Police Department-** Chief Jones discussed the 1) monthly reports for traffic stops, calls for service, call breakout and consolidated activity and the 2) monthly reserve participation report. Chief Jones informed the Council that the Police Department added two new reserve officers.
- B. Fire Marshal's Office –** Fire Marshal Jon Scott provided a report regarding 1) the IFC advisory group meeting and potential appointment of an Appeals Board; 2) participation in a simulation emergency preparedness at NeSmith Elementary; 3) continued code enforcement training and 4) ambulance services changes and run times report. Ms. Wright commended Mr. Scott's consideration of the position of the Lavon Economic Development Corporation (LEDC) and local property owners in the update of the City's building and safety codes.
- C. Public Works Department-** Ms. Dobbs provided the public works report and complimented the efforts of the Public Works crew for their dedicated work two weekends in a row on the X-treme Green Event and the Easter Spring Fling.
- D. Administration -** Ms. Dobbs directed the Council to the reports provided in the packet and offered to answer questions if any regarding the 1) Financial Outlook; 2) Building Permits Report; 3) Collin County Monthly Tax Collection Report; 4) Sales Tax Report, 5) Recycling Report and 6) Municipal Court warrant roundup summary. Ms. Dobbs specifically commended the efforts of Municipal Court Clerk Sue Johnson for a successful warrant round up.

**9. WORK SESSION**

**Discussion regarding plans for sanitary sewer system improvements and funding options.**

Ms. Dobbs introduced Mark Hill, consulting engineer, and financial advisors Jason Hughes and Joey Dierker who described the program technical program and funding options for the expansion of the City's wastewater treatment plan and system. Mr. Hill advised that the design for the expansion is 95% complete,

that the project will go to bid in April and that construction is anticipated to be completed by January-February 2019. Mr. Hughes reviewed the various funding options for the financing the improvements and what type of municipal funds can be utilized to pay debt service.

Note: Ms. Serkland left the meeting at 8:14 p.m.

Mr. Hughes provided information about certificates of obligation and tax notes. Mayor Teske confirmed that tax notes can be paid off early without penalty if desired. The Council discussed the options and the consensus was to instruct the financial advisor to proceed and move forward with the tax note option. Mr. Hughes is scheduled to return to the May 1, 2018 meeting for approval of a program for financing the improvements with tax notes. Ms. Dobbs advised that a reimbursement resolution would be presented to the Council at the next meeting for any costs that might be incurred prior to issuance.

Ms. Dobbs suggested an increase in the sewer tap fee for residential and commercial customers of \$3200. It was discussed that the intent of the Council would be to fund the improvements from wastewater utility resources, but that as a last resort ad valorem taxes would be used if necessary for the repayment of the program.

#### 10. EXECUTIVE SESSION

**In accordance with Texas Government Code, Chapter 551, Subchapter D, the City Council may recess into Executive Session (closed meeting) to discuss the following item pursuant to Section 551.071 (2) and 551.071 (1): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and Consultation with Attorney regarding pending litigation or settlement offer: *Application of City of Lavon to Obtain a Sewer Certificate of Convenience and Necessity (CCN)*, Public Utility Commission SOAH Docket No. 473-17-4339.WS, PUC Docket No. 46993.**

There was no executive session.

#### 11. RECONVENE INTO REGULAR SESSION

There was no action.

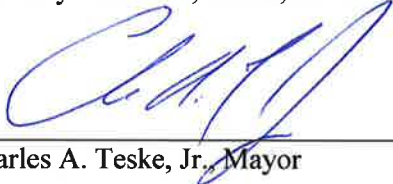
#### 12. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS

The City Council set the next meeting April 3, 2018 7:00 P.M.

Ms. Sanson asked if the Council needed to review the sign ordinance given the number of variances that had been presented in past months. The consensus of the Council was that a review is necessary and that the staff should review and return recommendations for proceeding within the quarter.

#### 13. MAYOR TESKE ADJOURNED THE CITY COUNCIL MEETING AT 8:36 P.M.

**DULY PASSED and APPROVED** by the City Council of the City of Lavon, Texas, on this 17<sup>th</sup> day of April, 2018.

  
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Charles A. Teske, Jr., Mayor

ATTEST:

  
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Kim Dobbs, City Administrator | City Secretary

