

**COUNTY OF DALLAS/COUNTY OF KAUFMAN  
CITY OF SEAGOVILLE**

**CITY OF SEAGOVILLE CITY COUNCIL MINUTES**

The City Council of the City of Seagoville met in a Regular Meeting on Monday, , August 15, 2011 beginning at 7:30 p.m. in the Council Chambers of City Hall, 702 N. Highway 175, Seagoville, Texas, with the following members present:

Mayor	Sidney M. Sexton, Jr
Council Member	Terri Ashmore.
Council Member	Harold Magill
Council Member	Lee Landess
Council Member	Dennis Childress
Council Member	Peggy Day

The following members were absent:  
None

The following City staff members were present:

City Manager	Larry Graves
Assistant City Manager/PWD	Mike Hitt
SEDC President/CEO	Bekki Roberts
Finance Director	Patrick Harvey
Human Resources Director	Janet Goad
Police Chief	Pat Stallings
City Secretary	Sheila Martin

Mayor Sexton called the meeting to order at 7:30 p.m. and Council Member Dennis Childress delivered the invocation. The City Council led the Pledge of Allegiance.

**PRESENTATION / PROCLAMATION(S)**

None

**SPEAKERS**

**James Sudduth 2402 Cloverhill Lane Agenda Item No. 6 – 2012 Proposed Tax Rate** Opposed because economy will only get worse. Feds will not increase interest rates for two years. Twenty-six dollars (\$26.00) will impact people (especially citizens on fixed incomes.) Property taxes will continue to decline. Sun Coast is leaving town, taking \$2.1 million in taxable assets, and 40 employees with them. Any extra money should be put in a reserve fund. May need the funds to keep from laying employees off. In this day and time employees should be glad to have a job - because so many people do not have jobs. Hiring more police officers is needed, but the City forced an annexation; and now probably don't have the money to provide emergency services in the annexed area. Even though residents in the annexed area are paying higher taxes.

Also TIF is not a good deal, any increase in taxes should be spread across the City to benefit citizens who have been here for a long time.

**Joe Mitchell 720 May Road, Seagoville, Texas - Agenda Item No. 3 – Town Center Overlay** – Commended Council for being wise enough and courageous enough to look at reversing the TIF. This Council has inherited unbelievable problems – applauds this effort to reverse the Town Center Overlay.

**Agenda Item No. 5 – Seagoville Economic Development Corporation Budget**  
Would like to see Council delay the vote on this item. If SEDC operates on a calendar year, then four months away from the end of their fiscal year. Council needs to consider this the next budget very seriously. Mentioned Council who wanted to build a jail- (because the City Hall and jail were the same) - went to 4B to build the facility we have today – which is ideal. Was president of SEDC 2000 and the personnel was zero, administration was \$38.00 marketing was \$30,000.00. Today personnel costs \$138,000.00 and., administrative is \$70,000.00, marketing is \$300,000.00.

Law allows Council to look at half cent dedicated to SEDC for use for other purposes by resolution. Can't dissolve SEDC unless by citizen vote. There is still a \$1 Million Bond still laying out there - \$96,000.00 is still being paid on the bond service debt. SEDC is good but not to the point the money is being expended. Would like to see Council receive a monthly report on SEDC expenditures/balance sheet, statement of grants in process. Expenditures under \$10,000.00 don't have to come before the Council for approval. Stated approximately \$750,000.00 is missing from SEDC uncommitted funds. Is considering submitting submit an Open Records Request to satisfy his curiosity about what happened to these funds.

**Agenda Item No. 6 – 2012 Proposed Tax Rate** - Average 2010 (Seagoville) house value is \$73,000.00 which is below what values were in 2006. City has two main sources of revenue property tax and sales. City is blocked on sales tax. Are there sales tax money going into SEDC that can legally come back to the General Fund? – the City should research this. Stated that a petition by 20% of the number of people who voted in the last general election can "call" for a ballot. Between 2004 and 2010, City expenses increased by some \$2.4 million. Had deficit spending for the same 5 to 6 years, but the City had a good reserve. Even Commented on increase in City staff salaries, operations, inter-departmental transfers; and decreased in sales tax, permits and fees for 2006 – 2010. Look at ways to reduce expenditures. Council inherited these issues. Other cities are having furloughs. Look at ways to cut costs/increase work productivity. Need to focus on how to get City back on solid footing. There are former Mayors and Council Members who are available and willing to offer their assistance.

**John Player, 703 Shadybrook, Seagoville, Texas Agenda Item No. 6 – 2012 Proposed Tax Rate** - James Sudduth and Joe Mitchell have talked about some of his "thunder." Frustrated and disappointed in the budget. Stated City of Central Falls, Rhode Island recently filed for bankruptcy which was primarily caused by employee pensions and health insurance. Central Falls also raised taxes, and salaries and benefits. Central Falls spent more money than they have. Believes (City of) Seagoville is doing the same. Stated his retirement benefit was recently reduced by \$75.00 a month, his household has to adjust and live within his means. City should not spend what it does not have. Expenditures are exceeding what the City is taking in every year. Last four year's tax rate has increased. Seagoville is 22% Senior citizens who haven't had a raise in two years. Some Seagoville residents have not worked in a year. Loves Walmart, loves all of the stores we have here. Never dreamed there would be as many stores when he moved in in 1985. But wants Seagoville to live within its means. Don't spend what you don't have. Stated that he wants to help in anyway that he can, because he does not want the City to go down the tubes.

### **CONSENT AGENDA**

#### **1. August 1, 2011 Meeting Minutes**

**2. Consider and Approve Resolution No. 49-11 Authorizing the City Manager to Sign a Two-Year Interlocal Agreement with the North Texas Central Texas Council of Government for E911 System Service and Equipment**

**3. Consider Initiating the Legal Process to Change the Zoning in the Town Center District back to the Zoning Classifications that were in place prior to the creation of the Town Center District**

**MOTION:** Harold Magill made a MOTION, Lee Landess SECONDED

**VOTE:** - 5 Ayes

0 – Nays

### **PUBLIC HEARINGS**

**NONE**

**ACTION ITEMS**

**4. Consider Resolution No. 47-11 Authorizing the Mayor to enter into a contract for Employee Medical Insurance**

**MOTION:** Harold Magill made a MOTION, Lee Landess Day SECONDED

**Council Discussion:**

Magill thanked Human Resources Director Goad for her efforts in finding costs savings on employee health insurance. Difference between CIGNA (previous provider) and United Health Care (new provider) represents savings difference of \$250,000.00. By selecting United Health Care, the City is saving \$36,000.00. Employees health insurance deductible will be \$1,000.00 instead of the \$500.00 currently being paid. Some citizens think our employees receive too many benefits but after watching the slide show from tonight's Work Session of Public Works staff completely covered in mud and water to repair a water leak. And remembering how Public Works staff worked during the snowstorm of February 2011; with their socks frozen to their feet – City employees are dedicated and deserve a good benefits package.

Day and Magill discussed savings in moving from CIGNA to United Health Care with Magill clarified from CIGNA's present cost, selecting United Healthcare will save the City \$36,000.00 savings from what the City is paying now.

Lee Landess thanked Janet Goad for her work with employee health benefits.

**VOTE:** - 5 Ayes

0 – Nays

**5. Consider Resolution No. 48-11 Ratifying SEDC Resoluiton No.7-11-3 approving the Seagoville Economic Development Corporation Operating Budget for the Fiscal Year 2011-12**

**MOTION:** Harold Magill made a MOTION, Dennis Childress SECONDED

Harold Magill stated the City is receiving much more benefit since Bekki Roberts has taken over the reins of SEDC. Ace Hardware is coming to Seagoville.

(SEDC) recently talked with a Dallas company valued at \$16 million with 65 employees – projected to have 80 employees within 18 months. Roberts has had multiple companies contact Roberts about moving to Seagoville. Commended Roberts, her staff, and SEDC Board for their efforts.

Landess agreed Roberts has done an excellent job. Respects the citizen comments from earlier this evening. May have to look at things differently in a year, but for now things are going well.

**VOTE:** - 5 Ayes

0 – Nays

#### **6. Consider Approval of Proposed 2012 Tax Rate**

Mayor Sexton stated the 2010 tax rate was adopted at a rate of .665 per \$100 valuation. Current proposed tax rate is **.690853** per \$100 the proposed tax rate is inclusive of operations of maintenance of **.648722** and debt service is **.042131**. During the July 9, 2011. City Council Retreat, Council directed the City manager to build the FY11-12 Budget to the 2010 effective rate. During the August 1, 2011 Council Worksession; City manager presented a FY11-12 budget that met Council's policy direction. At which time Mayor Sexton asked for a motion;

**MOTION:** Dennis Childress made a MOTION, Terri Ashmore SECONDED

#### **Council Discussion**

Day – We're in trouble worse than I thought three weeks ago. Citizens are having a difficult time. Asked for confirmation that going to the effective rate will generate \$13,000.00, however the budget document indicates the tax rate will generate \$200,000.00 - where did the \$200,000. 00 figure come from?

Patrick Harvey, Finance Director stated had the opportunity to utilize unallocated Capital Projects money to pay down the debt rate; and as a result the \$200,000 thousand dollars is going over to operations and maintenance.

Day – Asked if \$37,000.00 personnel expenditure (raises) will result in \$48,000.00 expenditure because benefits represent from 27 to 30% of salaries

Larry Graves, City Manager stated the \$37,000.00 includes benefits

Day – Is becoming more concerned, and cannot support tax increase when citizens are losing jobs

Landess – Hasn't seen a citizen come up to support tax increase. Doesn't see signs economy is getting better. Finance Director and City Manager have done an excellent job of putting together the budget, but want the tax rate to stay at .665

Ashmore – Ask City manager to confirm vote on the tax rate is not set in stone. After tonight's vote, Council has the ability to reduce the rate, but will not be able to increase it.

Larry Graves, City manager – Confirmed Ashmore statement is correct.

Magill – Stated he has not had a raise in six years. Has not had a job since October 2010 – so I know where you are coming from. So if you don't want two more officers on the street, I guess we won't get them. Stated riding patrol with Police officers will give you a different perspective of what they go through. Seagoville is not immune to crime. We are at a point where we need step up, Seagoville is too big to be small, and too small to be big. Seagoville is currently eight police officers below the FBI's recommended staffing. Many times, Seagoville Police Chief often rides patrol, because the other two squad cars are responding to calls. Will gladly pay the additional \$24 or \$25 to have two police officers. Recommended Council rides with the police officers to see what they deal with.

Day – Stated she holds no ill-feelings toward anyone on the City's budget issue, wants to make the right decision for the City

Ashmore Patrick Harvey and Larry Graves have done an excellent job of putting together the budget. If we don't take action to offset our rising costs, by setting the effective rate, then due to rising costs, the City will find that we are taking in .665 cents, but that we are paying .82 cents – because we are not keeping up with rising costs we have no control over. If we adopt the effective tax rate we can re-look at the budget and cut.

Landess – Agrees with Magill doesn't like seeing Police Chief riding patrol, working nights, and working holidays. Want to find a way in the budget to get the staffing we need. But as a public safety officers myself Dallas firefighters voted to pay 8.5% to insure pension fund will be sound. Wants to figure out a way to get the staffing we need. Referenced recently fallen Dallas firefighter who was required to take 2 ½ furlough days which in effect, reduced his salary.. Every member of the City of Dallas firefighters pension fund voted to the deferred retirement option to insure our pension fund would be sound – which amounted to 8.5% of our base salary. This is uncharted territory. Understands “where you are coming from” – in good conscience can not vote to increase taxes on the citizens.

Appreciates everything our police and firemen do, wants to figure out a way to address staffing within our budget to address

At Magill's request, Larry Graves confirmed that paying off 2 bonds will save over \$220,000.00 per year.

Landess – Favors paying off the bonds, but that money has already been committed.

Day – Am in favor of doing whatever it takes to be out of debt or maximizing what

Magill – Cities will never be out of debt due to federal unfunded mandates. Referenced upcoming federally mandated stormwater, and change in police and radio bandwidth. The City will never completely be out of debt., or paying for something that benefits the City Seagoville is in some of the best financial shape of cities in Texas, and the country. Wants to adopt the effective rate, and go lower if needed. Received confirmation from the Mayor Sexton that Council has the ability to lower the tax rate approved tonight, but cannot go higher.

Mayor Sexton called for a vote to set the FY11 -12 tax rate at .690853

**Vote:** Ayes – 3  
Ashmore, Magill, and Childress (Ayes)

Nays – 2  
Nays – Landess and Day

## **7. Consider Ordinance No- 07-11 Accepting a Negotiated Atmos Energy Mid-Tex Rate Change**

**MOTION:** Lee Lands made a MOTION, Peggy Day SECONDED

**VOTE:** - 5 Ayes

0 – Nays

### **CITIZEN COMMENTS**

Calvin Travers 600 W. Simonds Road - When the tax rate was 65 cents that sufficed, I call your attention to the fact that based on your action tonight, when you rescinded the Town Center Overlay this Council wasted \$40,000.00 on that study. "Council" also spent \$200,000.00 on a property on Hall Street and Kaufman Street to build a library that we don't need – libraries around the country are shutting down.. So Council had plenty of money at .665 cents to waste \$240,000.00.

Joe Mitchell - 720 May Road – Information presented on the TIF tonight was Good. The (City of) Dallas wasted \$6 million on the West End – increment on the valuation never appeared. There is a lot of Information on the web. There is also a lot of experience in the audience, former Mayors and Council Members willing to help with research if needed. Recalled some previous Council members never went to Washington, they just stayed in Seagoville, and did a fine job.

#### **8. FUTURE AGENDA ITEMS**

Harold Magill requested watering shrubs around City entryways ACM Mike Hitt stated that he would inspect the irrigation system.

#### **9. Executive Session**

**The City Council shall convene into closed executive session pursuant to § 551.074 of the TEX. GOV'T CODE to deliberate the appointment, employment, evaluation, reassignment, or duties of a public officer, to wit, the City Secretary.**

Council and the City Secretary convened into Executive Session at 8:29 p.m.

Council re-convened into Open Session at 9:23 p.m., with Mayor Sexton stating no action will be taken as a result of the Executive Session.

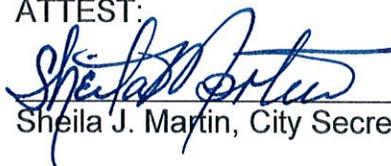
#### **ADJOURN –**

Mayor Sexton adjourned the Council meeting at 9:24 p.m.

Approved this the 12<sup>th</sup> day of September, 2011

  
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Mayor Sidney M. Sexton, Jr.

ATTEST:

  
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Sheila J. Martin, City Secretary