



Wylie City Council Regular Meeting Minutes

June 27, 2023 – 6:00 PM

Council Chambers - 300 Country Club Road, Building #100, Wylie, Texas 75098

CALL TO ORDER

Mayor Matthew Porter called the regular meeting to order at 6:03 p.m. The following City Council members were present: Junior Mayor Tristan Rhodus, Councilman David R. Duke, Councilman Dave Strang (6:54), Councilman Scott Williams, Councilman Sid Hoover, and Councilman Gino Mulliqi. Mayor *pro tem* Jeff Forrester was absent.

Staff present included: City Manager Brent Parker; Deputy City Manager Renae Ollie; Assistant City Manager Lety Yanez; Fire Chief Brandon Blythe; Police Chief Anthony Henderson; Finance Director Melissa Brown; Digital Media Specialist Kristina Kelly; City Secretary Stephanie Storm; Parks and Recreation Director Carmen Powlen; City Engineer Tim Porter; Fire Marshal Cory Claborn; Library Director Ofilia Barrera; Public Works Director Tommy Weir; Wylie Economic Development Corporation Executive Director Jason Greiner; Community Services Director Jasen Haskins; and various support staff.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Porter led the invocation, and Junior Mayor Tristan Rhodus led the Pledge of Allegiance.

PRESENTATIONS & RECOGNITIONS

PR1. Junior Mayor Tristan Rhodus.

Mayor Porter introduced Junior Mayor Tristan Rhodus, administered the oath of office, and presented a proclamation for “Mayor of the Day.”

PR2. Presentation to outgoing Wylie Boards and Commission Members.

Mayor Porter and Junior Mayor Rhodus presented gifts of appreciation to outgoing board and commission members thanking them for their service. Outgoing board and commission members present included Minerva Bediako and Gino Mulliqi.

PR3. Oath of Office for Incoming Wylie Boards and Commission Members.

Associate Municipal Court Judge Feil administered the Oath of Office to the newly appointed board and commission members in attendance.

PR4. National Park and Recreation Month.

Mayor Porter recognized July 2023 as National Park and Recreation Month in Wylie, Texas. Parks and Recreation Board and staff members were present to accept the proclamation.

COMMENTS ON NON-AGENDA ITEMS

Any member of the public may address Council regarding an item that is not listed on the Agenda. Members of the public must fill out a form prior to the meeting in order to speak. Council requests that comments be limited to three minutes for an

individual, six minutes for a group. In addition, Council is not allowed to converse, deliberate or take action on any matter presented during citizen participation.

Anisa Adem, representing Abbay Women's Foundation, addressed the Council inviting the public to attend the Ethiopian Sports Federation in North America 40th Annual Soccer Tournament and Cultural Festival, and to the young Ethiopian American professional networking event at Herman Marshall on June 6 from 5 p.m to 8 p.m.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A. Consider, and act upon, approval of the June 13, 2023 Regular City Council Meeting minutes.**
- B. Consider, and act upon, the City of Wylie Monthly Revenue and Expenditure Report for May 31, 2023.**
- C. Consider, and place on file, the City of Wylie Monthly Investment Report for May 31, 2023.**
- D. Consider, and act upon, Ordinance No. 2023-26 amending Ordinance No. 2022-56, which established the budget for fiscal year 2022-2023; providing for repealing, savings and severability clauses; and providing for an effective date of this ordinance.**
- E. Consider, and act upon, approval of the Non-Profit Park Event Application from Cure Sanfilippo Foundation representative Katharine Sink, to hold the 2nd Annual Do it for Declan 5K and Fun Run event at Founders Park on Saturday, December 9, 2023.**
- F. Consider, and place on file, the monthly Revenue and Expenditure Report for the Wylie Economic Development Corporation as of May 31, 2023.**

Council Action

A motion was made by Councilman Mulliqi, seconded by Councilman Duke, to approve the Consent Agenda as presented. A vote was taken and the motion passed 5-0 with Mayor *pro tem* Forrester and Councilman Strang absent.

REGULAR AGENDA

- 1. Tabled from 05-30-2023**
Remove from table and consider

Council Action

A motion was made by Councilman Williams, seconded by Councilman Duke, to remove Item 1 from the table and consider. A vote was taken and the motion passed 5-0 with Mayor *pro tem* Forrester and Councilman Strang absent.

Consider, and act upon, amendments to the Bylaws of the Wylie Economic Development Corporation.

Staff Comments

Wylie Economic Development Corporation Executive Director Greiner addressed Council stating that the originally proposed bylaws, and not the most updated bylaws reflecting changes, were accidentally included in the agenda packet. The items that were updated, and are included in the most updated bylaws, include Section 4.04.1.h., the supermajority verbiage was changed to three regarding the voting of the EDC board to hire or remove the Director, and in Section 4.06 the term limits were removed and the language reverted back to the original bylaw verbiage.

Council Action

A motion was made by Councilman Williams, seconded by Councilman Mulliqi, to approve Item 1 with amendments presented by staff. A vote was taken and the motion passed 5-0 with Mayor *pro tem* Forrester and Councilman Strang absent.

- 2. Hold a Public Hearing, consider, and act upon, the writing of an ordinance for a change in zoning from Agricultural (AG/30) to Light Industrial - Special Use Permit (LI-SUP) on 8.96 acres to allow for a battery storage use. Property located at 1011 E. Brown St. (ZC 2023-08).**

Staff Comments

Community Services Director Haskins addressed the Council stating this Special Use Permit (SUP) is for a battery storage facility on approximately nine acres located on the northwest corner of Brown and Eubanks. The idea behind this battery storage facility is to provide storage and backup power for the electrical grid. The SUP conditions allow for the use and regional detention, and define the screening that would go around the facility, which is a ten-foot landscape barrier with an eight-foot board-on-board wood fence. It does not require any on-site parking as there will not be visitors or on-site customers. If the zoning is approved, a site plan and a plat would still have to come through the Planning and Zoning Commission (P&Z); the site plan would also go to Council. Haskins added the properties to the east are zoned light industrial, the property to the west is the Oncor substation, and the property to the south is residential. This property and the request is in line with the future land use plan. Haskins stated 18 notifications were mailed to property owners and two responses that were in favor of the request were received. P&Z did have some questions regarding natural disasters such as hail storms, lightning strikes, etc., and how the Fire Department would respond to something such as that. Haskins stated staff has talked with the Fire Department and believes they can handle the situation should something come up. P&Z voted 5-0 to recommend approval.

Applicant Comments

Stephen Gordon, representing Black Mountain Energy Storage, addressed Council giving a brief presentation on a corporate overview of Black Mountain, an overview of battery energy storage systems, benefits to Wylie and the surrounding area, project location and overview, preliminary site design, fire safety standards, and site example renderings.

Council Comments

Mayor Porter asked when referring to the operational life of 20 plus years, is that based on the original battery storage that is put in or is it the length of time the company is at the location before they leave. In addition, Porter asked for clarification on if the company leaves, does it take everything with them, and what is the plan when it hits the end of life. Gordon replied most sites such as this last 20 years and after that time everything will be safely removed from the site in compliance with a full decommissioning plan.

Councilman Strang took his seat at the dais at 6:54 p.m.

Councilman Mulliqi asked if the entire area would be monitored with cameras 24/7, confirmed it would have a fence around the perimeter, and asked if someone was able to gain access would it harm them. Gordon replied cameras are not standard in the design, there will be an eight-foot board-on-board fence along the front and a chain link fence along the backside, and this site is no more dangerous than the substation that currently exists across the street and added there will not be anything that could be touched or cause harm to someone directly if they got inside the fenced area. Councilman Williams stated it looks like a great project. Councilman Duke asked if a container caught fire would the Fire Department be able to put the fire out. Gordon replied if a fire occurs no one goes in and you let it burn itself out. Fire Chief Blythe replied they would respond to ensure everyone is okay and confirm there are no other safety hazards, and confirmed, based on their research they would let it burn itself out, and once it was out, they would turn the scene over to them.

Public Hearing

Mayor Porter opened the public hearing on Item 2 at 7:00 p.m. asking anyone present wishing to address Council to come forward.

Scott Hevel addressed Council requesting a requirement for aesthetically pleasing items such as trees or shrubs in addition to the fence.

Mayor Porter requested clarification from staff if language is already part of the proposal that addresses this. Haskins replied Section 3(c) does address a ten-foot landscape buffer in addition to the eight-foot board-on-board fence down Eubanks and East Brown. Porter asked about the height of the shipping containers. Gordon replied most are eight to nine feet.

Mayor Porter closed the public hearing at 7:03 p.m.

Council Action

A motion was made by Councilman Williams, seconded by Councilman Hoover, to direct staff to prepare an ordinance approving the zoning change requested and bring it back for final consideration at a subsequent meeting. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

3. **Consider, and act upon, approval of the Non-Profit Park Event Application from Hope's Gate representative Patricia Bauman, to hold the "Hope Under The Stars" fundraiser event at Olde City Park on Saturday, October 21, 2023.**

Staff Comments

Assistant Parks and Recreation Director Brent Stowers addressed Council stating this is a nonprofit park event application for Hope's Gate that is requesting permission to provide alcohol to the ticket holders during their event. The Parks and Recreation Board did vote 6-0 with one board member absent to approve the request on June 12th. They are seeking Council's final approval and if approved, the City Manager will provide written permission to allow this event to take place and allow alcohol.

Applicant Comments

Patricia Bauman and Kendra Medina addressed Council giving a presentation on "Hope Under the Stars" including an overview of Hope's Gate, the purpose of the event, the order of events, and safety measures on the service of alcohol.

Staff Comments

City Manager Parker confirmed that Hope's Gate would obtain the proper permits from the Texas Alcoholic Beverage Commission (TABC) and maintain compliance with all permit and other TABC requirements for the duration of use of the City park, and agree to defend and indemnify the City from any claims or damages and procure and maintain insurance coverage to protect the City (specifying limits and other requirements). Bauman and Medina confirmed that was correct.

Council Comments

Mayor Porter stated this sounds like a nice event and appropriate use of alcohol at an event as a fine dining experience. Councilmen Williams and Mulliqi thanked them for everything they do.

Council Action

A motion was made by Councilman Mulliqi, seconded by Councilman Williams, to approve the Item as presented and authorize the City Manager to provide written permission allowing the possession and consumption of an alcoholic beverage, subject to conditions or regulations imposed by the City and TABC. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

4. **Discussion and consideration of all matters incident and related to the issuance and sale of "City of Wylie, Texas, General Obligation Bonds, Series 2023," including the adoption of Ordinance No. 2023-27 authorizing the issuance of such bonds and related agreements.**

Staff Comments

Finance Director Brown addressed Council stating staff is requesting approval of an Ordinance related to the issuance of General Obligation Bonds. In November 2021, the voters approved \$50.1 million in General Obligation Bonds to support different propositions. The City is committed to only issuing the bonds when we are ready to move forward with the projects so that we can be sensitive to the debt portion of our tax rate. Last year the City issued \$5.5 million, and this year the City is issuing \$17 million in bond proceeds with \$5 million for Park Boulevard, \$10 million for McMillen Road, and \$2 million for general street repairs. Bids were received this morning and Nick Bulaich, representing Hilltop Securities, is here to go over that sale.

Nick Bulaich addressed the Council stating \$16,010,000 of bonds were sold, but \$17 million of proceeds were funded. Bulaich added Moody's upgraded and affirmed the Aa1 rating for the City last year, and this year, Standard and Poor's upgraded the City to AA+, both of those being one notch from the very top with both of them commenting on the significant tax base growth of the City, and the strong financial operations and reserves. In addition, Standard and Poor's has a financial management assessment score and they score the City as very strong financial management, which is the highest category in financial management. Bulaich explained scenarios in which the rating could be lowered which included if the financial performance deteriorates leading to sustained and significant reserve drawdowns, or if the City's additional debt needs outpace tax base growth. Conversely, scenarios that could raise the rating are ongoing economic expansion, coupled with robust job opportunities, which leads to stronger per capita market values and incomes.

Bulaich stated the City received eight bids at 11:30 a.m. with Fidelity Capital Markets coming in with an interest percentage of 3.657 cover bid.

The final debt service schedule includes 20-year bonds, with the total payments on a fiscal year basis as a level mortgage style. These bonds have to be sold in \$5,000 denominations so they cannot get it perfect on the dollar, but can get it pretty close. The purchaser is going to buy the \$16 million of bonds, plus a cash premium of \$1,126,000 which is what gets the \$17 million funding amount. Whenever you consider that cash premium, on a present-value basis, reduces your average interest rate to 3.65 percent because if you look at the coupon rates, there is no coupon less than four percent. Bulaich explained bond investors want premium bonds as they think that interest rates are going to continue going up, and as a result, they want to protect their investment with a bond price that is within what the IRS calls the de minimis range.

Bulaich stated in the summary of historical sales, last year's sale was 2.21 percent and if you look back at the City's debt portfolio, it is really low as the City has done a great job in taking advantage of refinancing opportunities. There are currently no refinancing opportunities at this time but could have one coming up in November 2025 for 2015 bonds that have higher coupon payments.

Bulaich added finally, the preliminary official statement is what is provided to bond investors, which includes the security of the bonds, information about the City, and anything additional that an investor would want to know before making an investment decision. If the Council does approve this item, this will turn into a final official statement with the final par amount, the interest rates, and the yields to submit to the initial purchasers' Fidelity Capital Markets.

Council Comments

Mayor Porter asked what the City does with the cash premium; does that get rolled into the payment schedule or does the City take that and put it into fund balance. Bulaich replied even though \$16 million was issued, that cash premium counts against your voter authorization so at funding, which is July 27th, the City will receive the full \$17 million to put into the construction funds for the projects. Councilman Mulliqi confirmed that the interest rate is based on \$16 million but the City is receiving \$17 million. Bulaich confirmed that was correct, and Brown added after this issuance, the City will have \$27,600,000 left that can be issued.

Council thanked staff for their work on this.

Council Action

A motion was made by Councilman Strang, seconded by Councilman Duke, to approve Ordinance No. 2023-27 and all matters incident and related to the issuance of "City of Wylie, Texas General Obligation Bonds, Series 2023" and related agreements. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

WORK SESSION

Mayor Porter convened the Council into a break at 7:34 p.m.

Mayor Porter reconvened the Council into Work Session at 7:45 p.m.

WS1. Discuss Breezy Beach RV Resort Sanitary Sewer.

City Engineer Tim Porter addressed Council stating staff requested the developer come before Council to discuss the sanitary sewer for this project as it is currently outside of the City's CCN boundary and if the City was to change the CCN boundary, that agreement would require Council's consideration; therefore, before the developer moved forward, staff suggested they come and get Council's feedback.

Matt Atkins, representing Teague Nall and Perkins, Inc., and Devin Huffines, representing Four Rivers Capital, gave a presentation on the Breezy Beach RV Resort giving a project overview, a base master plan, a proposed sanitary sewer solution, and force main routing, and answered questions from Council.

Council questions and comments included after reviewing the numbers provided by the developer is staff comfortable with the numbers; will the upsizing be completed all at once; concern with other ETJ property located in Wylie requesting to be annexed and not having the capacity to tie them into the system if it is being taken up downstream; is the developer willing to do all of the sewer at once; prefer sewer over septic; not interested in anything in the ETJ if not requesting to be annexed into the City; why is the City of Rowlett not interested if this property is located in their ETJ; how many lots and how many tie-ins; confirmed it will be completed in phases; if this system is upsized will it accommodate future land use development in that area that is within the City of Wylie; how will this impact the City in respect to revenue; generally in favor; would like upsizing to be adequate enough not for short term but for the future; it would be helpful to have a map of this area showing the City's ETJ; does this automatically add the yellow section on the map to the City's CCN or would they still have to apply in order to hook up to the City sewer; is the existing mobile home park on sewer; would roadway improvements and utility easements be included; would like to see a recommendation brought back from NTMWD; ensure this does not push Muddy Creek to capacity; and would like to see the applicant and staff working together.

Council consensus was to move forward with bringing back additional information on this project.

Mayor Porter convened the Council into a break to move into the Council Conference room for Work Session 2 and invited any members of the public to join Council and staff for the Work Session at 8:15 p.m.

Mayor Porter reconvened the Council into Work Session 2 in the Council Conference room at 8:32 p.m.

WS2. Discuss General Fund, Utility Fund, and 4B Fund.

City Manager Parker addressed Council, and explained the following has been completed with a no new revenue rate: adopted the no new revenue rate the last six years, with two of those years being under the no new revenue rate; opened a new fire station and hired 18 firefighters without adjusting the tax rate; absorbed the debt payment for FY 2023; have absorbed the 10 percent inflation over the last two years for projects and supplies; and have increased starting pay to try to stay competitive with our salary and benefits. The no new revenue rate this year is \$0.56, and next years projected no new revenue tax rate is \$0.53 which means that an average homeowners' City tax bill will stay about flat, or within \$100.

Parker reviewed the proposed revenue/expenditure assumptions based on feedback from the last budget work session including the certified total estimated value as of April 30 of \$6,920,554,955; the certified estimated value of new construction as of April 30th of \$213,430,800 (equates to \$1,244,579 in revenue); proposed sales tax is a 10 percent increase over FY 2023 budgeted/projected (six-month actuals at 54 percent), assumes an estimated no new revenue tax rate of .533130 and voter approval rate of .640763; assumes an additional two cents for new debt requirement (approved by voters) of .553130; assumes another 1/2-cent to partially fund the new Ambulance Service Program of .558130; assumes sales tax increase and interest earnings will fund the remaining cost of the Ambulance Service Program; base budget increased overall by 1.7 percent which must account for any inflation; and includes a \$700,000 reduction in the Streets Department base budget for maintenance.

Parker stated the items included in the proposed base budget are a 15 percent increase in health insurance of \$486,129; a three percent average merit increase for the general employees (effective January 2024) of \$267,709; and pay plan adjustments for Police and Fire (effective October 2023) of \$785,000 for a total of \$1,538,838 (supported by the no new revenue rate). Staff requested Council's direction on the tax rate, in addition to the two-cent increase for the bonds that the voters approved, to move forward with the proposed budget.

Questions from Council included are we absorbing the debt payment this upcoming budget year, insurance increase savings, confirmed some of the streets budgets have not been used this past year, would like to see a long-term plan from departments to help with future budget processes, if we did a three-cent or half-cent tax increase could that affect the City's bond rating, questions about capital and recurring expenses, what would be the dollar amount effect of 1/2 cent tax increase on the average resident, does budget take into account the appraisal review board (ARB) disputed values, leave expenses in the budget that you know are occurring each year, would not want to start a domino effect with recurring programs, the ambulance service would be a benefit to the City, will the bonds approved today be a part of next year's budget, Fund Balance will still be at 35 percent with a 1/2 cent increase, and would like to see longer projections.

Council feedback included the no new revenue rate, a 1/2 cent increase, a one-cent increase, a 1 1/2 cent increase, or would go up to three cents if needed. Parker stated staff will move forward with the direction of a no new revenue tax rate.

Parker reviewed the Utility Fund Summary with the estimated beginning Fund Balance as of October 1, 2023 of \$25,610,271, proposed revenues for 2024 of \$30,193,114 (assumes a five percent water rate increase and 5.5 percent sewer rate increase per the 2023 rate study), proposed expenditures for 2024 of \$26,585,246, recommended recurring expense requests of \$72,895, recommended one time uses and equipment requests of \$944,095, and an estimated ending Fund Balance of September 30, 2024 of \$28,201,149 (policy requirement is 90 days of operating expenditures; this ending fund balance is 387 days).

Parker reviewed the Utility Fund recommended requests including a Water Quality Specialist, six-yard dump truck, Hydro-Vac truck, infrared gate openers, portable radios, Stormwater Utility Fee Study, multi-smart controllers, and portable camera inspection equipment system, for total recommended requests of \$1,016,990.

Staff requested feedback from Council if they would like to have a stormwater fee as we are one of a few cities that do not have a stormwater fee. The consensus of the Council was to support implementing a stormwater fee.

Parker reviewed the 4B Sales Tax Fund summary of an estimated beginning Fund Balance as of October 1, 2023 of \$3,926,368, proposed revenues for 2024 of \$5,696,500, proposed expenditures for 2024 of \$4,089,026, recommended recurring expense requests of \$96,881, recommended one time uses and equipment requests of \$1,422,000, and an estimated ending Fund Balance as of September 30, 2024 of \$4,014,961 (policy requirement is 25 percent of budgeted sales tax revenue (\$4,536,561 x 25 percent = \$1,134,140)).

Parker reviewed the 4B recommended requests of the upgrade of part-time GSS Programs to full-time, equipment operator-athletics, 12-passenger van, Community Park playground phase 2 installation, Community Park

playground poured-in-place surfacing, zero turn mower replacement, 5900 large mower replacement, the pavilion at the Library, Pirate Cove playground replacement for total recommended requests of \$1,518,881.

RECONVENE INTO REGULAR SESSION

Mayor Porter reconvened the Council into Regular Session at 9:36 p.m.

EXECUTIVE SESSION

Mayor Porter convened the Council into Executive Session at 9:43 p.m.

Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.

A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on its negotiating position.

ES1. Consider the sale or acquisition of properties located at Ballard/Brown, Brown/Eubanks, FM 544/Cooper, FM 544/Sanden, FM 1378/Parker, Jackson/Oak, Regency/Steel, State Hwy 78/Alanis, State Hwy 78/Ballard, and State Hwy 78/Brown.

Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.

This chapter does not require a governmental body to conduct an open meeting:

- (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or
- (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

ES2. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2021-2d, 2021-5a, 2021-6a, 2021-6c, 2021-8a, 2021-9b, 2021-9f, 2022-1b, 2022-1c, 2022-7b, 2022-7c, 2023-1a, 2023-1c, 2023-1d, 2023-2d, and 2023-3b.

RECONVENE INTO OPEN SESSION

Take any action as a result from Executive Session.

Mayor Porter convened the Council into Open Session at 10:22 p.m.

Council Action

A motion was made by Councilman Strang, seconded by Councilman Hoover, to authorize the Wylie EDC to enter into a Performance Agreement with Project 2021-9f in an amount not to exceed \$500,000. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

Council Action

A motion was made by Councilman Strang, seconded by Councilman Duke, to authorize the Wylie EDC to enter into an amended Performance Agreement with Glen Echo Brewery in an amount not to exceed \$100,000. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

Council Action

A motion was made by Councilman Strang, seconded by Councilman Duke, to authorize the Wylie EDC to enter into a Performance Agreement with Firewater Investments, LLC and FWIRE, LLC (Project 2021-6a) in an amount not to exceed \$300,000. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

READING OF ORDINANCES

Title and caption approved by Council as required by Wylie City Charter, Article III, Section 13-D.

City Secretary Storm read the captions of Ordinance Nos. 2023-26 and 2023-27 into the official record.

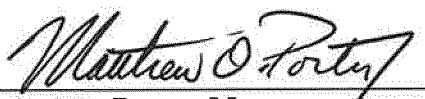
ADJOURNMENT

A motion was made by Councilman Strang, seconded by Councilman Mulliqi, to adjourn the meeting at 10:26 p.m. A vote was taken and the motion passed 6-0 with Mayor *pro tem* Forrester absent.

ATTEST:


Stephanie Storm, City Secretary




Matthew Porter, Mayor