

MINUTES
CITY COUNCIL MEETING 8 NOVEMBER, 2005

This meeting of the Ransom Canyon City Council was called to order by Mayor Robert Englund at 7:00 P.M., November 8, 2005. The meeting was held at the Ransom Canyon Fire Station, 1 Ridge Road, Ransom Canyon, Texas.

Council members present were Earl Starks, David Peterson, Donna Clarke, Dick Hulslander and Ron Cox. The Mayor called for a moment of silent meditation.

2. Minutes: Dick Hulslander moved to approve the October minutes. Ron Cox seconded the motion, all approved.

3. October Financial Report: Dick Hulslander moved to approve this report. David Peterson seconded, and all approved.

5. AIR GAP: Mayor Englund reported that the City of Lubbock advised Ransom Canyon that the water point-of-delivery did not have an air gap. The Mayor reported that the engineers are proceeding with plans for the installation of an RPZ (Reduced Pressure Zone) device on the ten-inch line. The six inch line must be disconnected. The expected cost is \$10,500. The Mayor will seek a meeting with the City of Lubbock.

David Peterson made a motion to authorize Harold Needham to make the needed repairs. Dick Hulslander seconded the motion. All approved.

6. Sale of City Truck: The 1992 city truck sold to Benny Garcia for \$501.

4. TMRS Retirement Upgrade: Mr. Anthony Mills from TMRS addressed the council about the TMRS program. He gave an overview of this defined benefit program, and discussed specifics of the Ransom Canyon history. Ransom Canyon adopted a basic program entry, and is now considering the updated service credit option. The city match is 5%, 1-1 match. The council adopted 100% service credit. TMRS looked at the monetary value of the employee's average salary, and this service credit funding, plus the 5% match, makes up the city's contribution.

The city contribution is a separate pot of money. Each city has an accumulation account to annuitize. This program is a defined benefit, but it works like a defined contribution program with a guaranteed lifetime benefit. A piece of the program is called "updated service credits." TMRS takes a snapshot of salary changes in order to update the employee account. With updated service credits TMRS assigns a new average salary and they grow this new figure at 3%. It gives the employee a higher balance at retirement. It is a tool to keep pace with current salaries.

The city council adopted vesting at 5 years and age 60, or 20 years at any age. When employees leave city employment they can withdraw their portion of the fund, but they forfeit the city portion. Only the personal account is refunded.

The contribution rate is the unfunded actuarial liability,(what % of the payroll is needed to fund the program.)

Employee participation is mandatory if their job is defined at 1,000 hours per year, or 20 hours per week. Payments to retirees come from a trust fund. This is an accumulation annuity reserve that makes up a third pot of money. The TMRS annuitization is done in-house. Investments are in the bond market only, with some corporate bonds. There are no investments in the stock market.

If the city adopts updated service credits it will allow the retiree benefit to keep pace with inflation. The city can adopt an auto repeat or they can adopt annually. Theoretically, the city will eventually “catch up” with the 100% service credit buy in. The buy in had a 25-year amortization period. That’s when the few original employees would have all retired. The city will never be caught up, however, because there will always be a cost. There will always be a pure 1-1 cost. If employees are not vested, and they quit, they can withdraw their own money, but they are not entitled to the city’s portion.

Ransom Canyon is surrounded by TMRS cities; there are few that are not in this program. The 5-year vesting is average in Texas. Other retirement systems have 5-year vesting such as TRS and, ERS. Lubbock County has 5-8 10 year vesting.

With the Ransom Canyon program, the prior service credit piece is already there. The council can enhance the program with updated service credits. In January, TMRS will look at the most recent years and look at a 36 month history to refigure the average salary. It will grow at 3%. If the benefit is higher, the employee will get additional credit.

David Peterson requested that this item be put on next month’s agenda. Dick Hulslander seconded the motion, all agreed.

8. Executive Session: At this time the council adjourned to executive session to confer with the city attorney.

They reconvened into open meeting. No action was taken.

9. Speed Control Measures: Earl Starks reported that the police will be giving speeding citations, and the council encouraged the police to also give citations for stop sign violations.

11. Ranch House. Andy Wilson requested that the council grant variance from city ordinance # 180. This ordinance requires new construction in the flood zone to be one foot above the BFE. (base flood elevation.) Andy appealed that the building is commercial, not built for habitation. One foot of fill dirt is required to reach the BFE, which is FEMA’s requirement unless special waterproofing measures are taken. Another

foot would be costly, and Andy argued that the result would mar the building's aesthetic effect.

There was much discussion about subsidence, compaction of the fill dirt, and the elevations of the lake, the pool, the island and the spillway.

David Peterson stated his opposition to the variance. His opposition is based on concerns for future health and safety, ethics in the use of money, liability on the part of the city, and taking action that might set a bad precedence.

The FFL (finish floor level) on the Ranch House plans is 2956. Mayor Englund said the council would give the POA a decision at the December meeting. Lakeshore property owners must be notified, in accordance with the city policy of notification of the neighbors for their permission to grant a variance.

No action was taken at this time.

12. Emergency Generator: Fire Chief Rand McPherson reported that the EOC center back-up generator was not operating, and he located a 15 kw gas generator for \$3,000. Donna Clarke moved to approve the purchase and expense it to the EOC budget. David Peterson seconded the motion, all agreed.

13.A Operations report: Harold Needham reported that the ground water tank repair will be engineered. The water tower is underway with completion in December.

13.B. Fire Department: Fire Chief Rand McPherson reported that the insulation in the South Lake Shore Fire Station is falling off. He is looking for someone to do repairs.

13.C: Police Report: Police Officer James Hill reported one citation, and some Halloween mischief.

13.D Library Report: Librarian Kim Copeland reported that the library is having its annual Community Christmas Card fund raiser, and there will be a reception at the library.

15. Open Forum: No comments.

Adjourn. The meeting adjourned on a motion from Earl Starks, second from Ron Cox.

Melissa Verett