

**MINUTES  
CITY OF JOSEPHINE – CITY COUNCIL  
WORK SESSION  
APRIL 28, 2025**

Brad Ahlfinger called the work session to order at 6:00 p.m.

Council members present: Brad Ahlfinger, Alex Esquivel, Dr. Pam Sardo and Gary Chappell.

Council members absent: Mayor Turney and Doug Ewing.

Work Session only – No action will be taken.

First item will be for Council new agenda software training – Jerrica Allgood.

**State of the City Overview** – Presented by Lisa Palomba, City Administrator, with staff support

**The city has achieved substantial progress in several key areas:**

- Received the GFOA Budget Award, reflecting strong financial management
- Upgraded the City’s S&P Credit Rating, improving borrowing conditions
- Created a Municipal Development District (MDD) to support economic development
- Allocated additional City sales tax revenue for greater budget flexibility
- Established an Industrial District in the ETJ to:
  - Preventing formation of new political subdivisions
  - Preserve ETJ and CCN boundaries
  - Protect MDD sales tax revenue
- Hired a City Planner to support current and long-range planning
- Initiated the transition of the Fire Department from volunteer to municipal status
- Completed the Community Center to support community quality of life
- Completed the City Hall Annex, expanding administrative capacity
- Made substantial progress on the Public Safety Building (completion expected by October 2025)

**City staff have identified several key challenges:**

- Continued rapid population growth and increased demand for services
- State-level preemption of local authority, particularly in the ETJ
- Growing number of MUDs surrounding city limits
- Pressures on maintaining control of ETJ and CCN boundaries
- Need for robust infrastructure capital planning
- Difficulty attracting/sustaining retail, commercial, and neighborhood services
- Planning for community buildout, including all CCN service area

**Servicing MUDs and Preserving Local Control**

The City continues to face pressure from both existing and proposed MUDs beyond city limits. Current state law prevents cities from stopping MUD formations in the ETJ (unless in an industrial district) and recent and pending legislation further erodes local authority. The Josephine utility CCN extends beyond the ETJ and the city has no control over formation of MUDs when they exist beyond our city limit and ETJ.

## Major Developments:

- **Magnolia and Riverfield:** Actively building, with estimated 30 months of lot supply remaining
- **Wildflower:** Planned 3,600 homes and supported by agreements already in place; activity is paused for 12+ months due to slowed new home sales
- **Golden Barn:** Planned 1,313 lot development; developer is currently funding an infrastructure feasibility study (Kimley-Horn)
- **Hunt County MUD No. 3:** This is a 6,600-lot development. The developer petitioned to leave Josephine ETJ and has requested to transfer CCN to Nevada SUD (ETJ petition rejected due to technical issues as advised by the City Attorney)

Staff Recommendation:

Do **not** release ETJ or CCN due to risks including:

- Loss of control over 6,600 home development
- Loss of MDD revenue protection
- Loss of future utility revenue

Instead, staff recommends:

- Complete updating for the Water/Sewer Master Plan
- Enforcing plan requirements for all developers
- Requiring oversized infrastructure, cost-sharing, or developer-funded improvements as appropriate

Goal for Work Session: Council feedback regarding finalizing a formal policy for MUD developments outside city limits.

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## Financial Outlook and Budget Planning - Presented by: Melissa and staff

Current conditions and general budget planning information

### A. FY 2024–25 Immediate Concerns

#### 1. Ground Storage Needed ASAP due to Booster Pump Station Plans Cancelled

- DR Horton has paused construction in Wildflower, impacting plans for booster pump station and elevated storage tank
- The infrastructure was expected to support 1,000+ new in-city connections through 2028
- Kimley-Horn will present revised recommendations

#### 2. Milton Street Sewer Line

- Previously planned for rehab; now urgent due to infiltration and activation of both PIDs (630 homes)
- Presentations by Kimley-Horn and Dunaway to follow

## Capital Improvement Plans & New City Projects

NWWTP: Unfunded 6 million – unrestricted funds to cover the gap – no additional debt issuance required at this time

- Ground Storage Tank: Estimated 4 million, unrestricted funds to cover – no additional debt issuance required at this time
- City Hall Expansion: Staff office space is now in 4 buildings including City Hall, City Hall Annex, Community Center and Magnolia Wastewater Treatment Plant Building
- Assistant City Administrator, Kirk Peters, is working on initial estimate and design options; unrestricted funds may be able to cover architectural planning and construction – quotes are being prepared, and funding options will be reviewed at a future work session.
- Unrestricted funds will continue to be closely monitored to ensure the balance remains above the minimum threshold of six months of reserve funds for operating expenses

## Other Economic updates

### B. FY 2025–26 Discussion Items

- TMRS COLA Adj addition, quote received from TMRS, (based off 2023 valuation until actuary completes 2024 valuation in June/July)
- IT Needs: More on-site time including Computer & Software Needs
- Discuss Capital Plans & Vehicle Needs & Equipment Replacement
- City Hall Renovation (quotes & design in discussion)
- Water Meters Needed
- Community Requests: Fence surrounding Cemetery
- Street & Drainage Improvement Projects
- Ground Water Storage \$4m
- Multi-Year Needs
- Ending Passthrough Engineering Costs
- Request for Sidewalk Improvements (\$50k-\$70k, possible City/Homeowner Split Program)
- Request for \$5,400 to fix sidewalks by the sewer plants (Magnolia)
- Ambulance Fee Increase possible 3-4x increase.
- Grant Funded Opportunities
  - Collin County Parks Grant 50% cost share
  - BCBS Wellness-Outdoor Fitness Court 30%
- Replace Four Clay Sewer Lines (combination in house/outourced project)
- Request for Fence to be built around new Sewer Plant (\$20k-\$30k estimate)
- Request for \$150k for Drainage Projects
- Request for Admin Vehicle (sedan or suv <\$25k)
- Request for an Electronic Message Board (\$20k)
- Request for two Police Admin Vehicle (\$40k ea)
- Request for two new Police Vehicles (\$85k ea)
- Request for shields in each Police Vehicle (\$3k ea)
- Park Trees- Holiday Lights
- Hometown Hero Banners
- Request for AEDs in each building, \$2,200 ea
- Request to Purchase Rifles (\$2,500 ea officer- current (3) rifles are 15 yrs old)
- Request for a 360-degree camera for Crime Photos \$16,000
- City Hall Monument Electronic/Masonry Sign \$55,000
- Smart Board-Planning/Engineering/Dev.
- Inflationary Pressures/FED Government Impacts on Josephine

- Potential for recession

**Goal for Work Session:** Council feedback and scheduling items for future agendas including resolution for May agenda regarding Milton sewer rehab and plans for ground storage tank.

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### **Fire Chief / Emergency Management Coordinator Hiring Process**

The Fire Chief will be appointed by and serve at the pleasure of City Council. The ideal candidate must meet TCFP requirements and demonstrate strong executive qualifications.

Staff Recommendation:

- A job description is being prepared
- Open application period: May–June
- Selection panel to include Full Council or Council subcommittee, City Administrator, and JVFD Chief
- Goal to hire in July

**Goal for Work Session:** Council feedback on the hiring process

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### **Events Planning**

#### **Personnel Planning**

- Executive Administrative Assistant-Management Intern UTD Part Time
- Planning Intern (UTA) Part Time
- Human Resource Generalist (August 2026-two months prior to new FY) Staff Increase by 50% with FD, current job openings, and new requests.
- City/Civil Engineer
- Utilities/Infrastructure Inspector (Shadow Position/On the Job Learning)
- PD Planning waiting on organizational study. Following Items identified by Chief Graham
  - Police move back to an 84 hour schedule
  - Police/Fire Administrative Assistant (backup?)
  - PD Field Lieutenant
  - Two additional Officers
  - Hire a new Detective to handle PR & Maintain Evidence Room
  - PD Certification Pay per year and Monthly Bi-lingual Pay
- Fire Department Planning- Waiting on Organization Study
- Part Time Firefighters plus Volunteers on stipend or hourly pay
- Parks & Recreation Crew Leader & Operator for Riverfield Park (DR Horton Funded? Cost Share?)
- Two Wastewater Operators (6 months prior to two New Plants being online for training purposes)
- Long Range Personnel Planning

**Goal for Work Session:** Information provided by staff and Council feedback.

## **Planning & Development Master Plans**

### **Ongoing Initiatives**

- Unified Development Code
  - Revised Subdivision and Design Standards
- Park & Trail Master Plan
- Impact Fee Study
- Drainage Fee Study

### **Upcoming Initiatives**

- Future Land Use Plan Update
- Master Thoroughfare Plan Update
- Corridor Plans

Goal for Work Session: Information provided by staff and Council feedback

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### **Goals, Priorities and Items for Future Agendas**

- Council feedback on strategic goals and priorities
- Identify items for future agendas (work sessions or regular meetings)

**Gary Chappell made a motion to adjourn at 8:24 p.m. Second by Alex Esquivel. All in favor, the motion passed.**

**ATTEST:**

**Patti Brooks, City Secretary**

**APPROVED BY:**

**Jason Turney, Mayor**