

## CITY OF DENTON CITY COUNCIL MINUTES

August 22, 2017

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, August 22, 2017 at 1:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Hudspeth, Council Member Briggs, Council Member Duff, Council Member Ryan, Council Member Gregory, Mayor Pro Tem Bagheri, and Mayor Watts.

ABSENT: None.

### 1. Work Session Reports

- A. ID 17-560 Receive a report, hold a discussion, and give staff direction regarding the Stoke Denton entrepreneur center's first year of operations and the Management Agreement between the City of Denton and the Dallas Entrepreneur Center.

Council Member Gregory recused himself from deliberation on this item.

Caroline Booth, Director of Economic Development, presented the information regarding Stoke Denton in terms of background and year 1 of operations and management. Background information included objectives, initiatives, and the public/private partnership. She reviewed the ordinances that approved the Stoke agreement and the provisions of those ordinances. A timeline detailing the progress of Stoke Denton was reviewed.

Heather Gregory, Director-Stoke Denton, presented the metrics of the program in terms of mission statement, baseline metrics, member satisfaction, and Stoke programs.

Council discussed what was involved with the various benchmarks presented, what the occupancy rate represented; definition of graduation rate, and what the business generation and growth represented.

Booth continued with fiscal information detailing the Stoke budget and expenditures for 2014-15, 2015-16 and 2016-17.

Council questioned what benefits the City was receiving from this program and the breakdown of utility costs.

Booth continued with the analysis of the program which showed eliminating Stoke as an economic development program would be detrimental to Denton's targeted efforts to grow local entrepreneurial and tech businesses and recruit new ones to the community.

Council discussed that some of the number represented non-tech companies which tended to skew the figures.

Booth continued with the analysis of the year 1 performance and noted that it had been successful. Options for the management agreement were presented along with staff recommendations. Staff was seeking direction regarding Stoke Denton's management for 2017-18.

Trey Bowles, DEC, responded to questions regarding Stoke's profit and loss figures.

Council continued discussing the recommended goals for a future contract; preferred options for continuation of the contract; and the role of the program in the community.

Consensus of the Council was to move forward with Option 3.

Council Member Gregory returned to the meeting.

Item D was considered.

- D. ID 17-1096 Receive a report, hold a discussion, and give staff direction on the City Council Employee Benefits Ad Hoc Committee recommendations for vacation and sick leave changes.

Carla Romine, Director of Human Services, presented the recommended changes from the Council Committee to vacation and sick benefits. She reviewed the background of the review and the associated timeline. The employee comment process was noted.

Vacation benefits - Romine reviewed the current vacation benefits for non-civil service employees and civil service employees including bonus accrual, maximum carry over and pay out upon termination. Employee feedback on vacation was presented along with a comparison of the current vacation benefit with the committee's recommended changes.

Council discussed the reasoning for the recommended changes; whether Denton would be reducing the above average vacation benefits to average benefits and the reasoning for cutting hours back at year 20.

Romine continued with the fiscal impact of the proposed vacation benefit changes.

Council discussed the reasoning why all of the employees were considered the same for the vacation benefits; whether the amount of savings would be beneficial versus some other benefit in terms of long term employees; and where the vacation funds were budgeted.

Mayor Watts noted that he was in favor of keeping the current benefit with no changes.

Council Member Briggs stated that the proposed change in the vacation benefit went in concert with sick leave additions.

Council Member Ryan suggested some type of cash out when an employee was over the allotted vacation time.

Council Member Gregory felt that average should not be the goal for benefits and he was not in favor of changing vacation at this time.

Romine continued with current sick leave benefits; maximum annual accrual; pay out upon termination; employee feedback consensus; and committee recommended changes compared to current benefits. The Committee was recommending increasing sick leave to 10 hours per month as opposed to 8 hours.

Council Member Ryan suggested considering sick leave payout.

Mayor Watts noted that he was in favor of the two additional sick hours and with keeping the status quo with vacation.

Council Member Gregory and Briggs suggested future consideration of some type of parental leave instead of having to use sick/vacation.

Consensus of the Council was to maintain vacation benefits in the current form and add two hours of sick leave per months.

B. ID 17-793 Receive a report, hold a discussion, and give staff direction regarding Williams Square.

Caroline Booth, Director of Economic Development, presented information about the current uses and potential uses for the area. Staff was seeking direction on potential uses of Williams Trade Square and whether Council was interested in staff bringing forward projects for lease or sale of the property.

Council Member Briggs stated that she would like to produce documents for the public to view in terms of the deed. She was in favor of keeping the current use but would be open to proposals.

Mayor Watts noted that he would prefer to keep the current use but would be open to proposals.

Council Member Gregory stated that he was not opposed to more discussions as long as there would be more free public parking.

Council Member Briggs stated that she would like to share the legal opinion on potential actions associated with the property.

Mayor Pro Tem Bagheri stated that she would be in favor of releasing the opinion.

Council Member Gregory stated that he would be open to discussions that might come up and did not oppose the release of the opinion.

Council Member Duff stated that he would be open to suggestions for the use of the property.

Council Member Ryan stated that he was not opposed to releasing the attorney's report.

Council Member Hudspeth stated he was not in favor of a parking garage.

Mayor Watts questioned what document would be released.

Interim City Attorney Leal stated that legal advice was provided to Council under attorney-client privilege. Council could authorize release of documents. However, when the Council waived the privilege Council needed to take into account that some waivers could come back to expose the City to litigation or other types of impacts such as with an economic development deal. On the

other hand, there were other types of legal opinions that would be more open to be release to the public. This particular opinion was whether the City could sell or have other uses for the Williams Trade Square. He did not think releasing the document would be detrimental.

Mayor Watts questioned exactly what document would be released.

Interim City Attorney Leal stated that it would only be the opinion from the outside attorney.

Mayor Watts wanted to make it clear that this was not an open ended request and was only for this one specific document. The waiver was for only this document in this situation. After this release anything else would be different information and would not be automatically released.

Council Member Hudspeth felt that making this document available might present a situation where it could it be used against the City to keep it in a particular situation.

Consensus of the Council was to make the document available to the public. In terms of the use of the property, they were open to proposals if presented.

- C. ID 17-979 Receive a report; hold a discussion, and give staff direction regarding the FY 2017-18 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

Chuck Springer, Director of Finance, stated that the HOT Committee met today and that the funds that were available was what they proposed for the budget. He reviewed the revenue funds for the Police Academy Special Revenue Fund.

- E. ID 17-1121 Receive a report, hold a discussion, and give staff direction regarding a compressed natural gas (CNG) fueling facility at the intersection of Mayhill Road and Spencer Road.

Ethan Cox, Director of Solid Waste, presented information on the status of CNG. Council had recommended a CNG station for City of Denton use only but requested staff first search for existing CNG stations to tap into. He presented information on the closest existing CNG stations in the local area and possible Denton CNG stations in terms of operating expenses and risks. He noted that a presentation was done at the PUB meeting and PUB recommended approval of the COD fueling stations as proposed, without the public sales. Cox presented options for Council consideration and a financial options summary. Staff was recommending Option 1.

Consensus of the Council was to proceed with Option 1.

Following the completion of the Work Session, the City Council was to convene in a Closed Meeting to consider specific items when these items are listed below under the Closed Meeting section of this agenda.

1. Closed Meeting:

- A. ID 17-990 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code, Section 551.086.

Receive competitive public power competitive information and financial information from staff regarding the proposed FY 2017-2018 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2017-2018, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

- B. ID 17-1099 Consult with Attorneys - Under Texas Government Code Section 551.071; Deliberations regarding Real Property - Under Texas Government Code Section 551.072.

Consult with and provide direction to City's attorneys regarding legal issues and legal strategies associated with the possible access, occupation and/or use of the City's right of way for fiber and/or fiber conduit by Zayo Group, LLC, including possible access, occupation, and/or use of the City's right of way pursuant to an Exchange Agreement with the Denton Independent School District and the County of Denton, Texas effective July 28, 2015; a public discussion of these legal issues and legal strategies would conflict with the duty of the City's attorneys to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.

The Council did not convene into Closed Session.

The City Council convened in a Special Called Meeting at which the following items.

Mayor Pro Tem Bagheri left the meeting.

## **1. ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. ID 17-559 Consider nominations/appointments to the City's Economic Development Partnership Board.

Caroline Booth, Director of Economic Development, presented the background information on how the members were nominated and appointed along with a list of the nominees. Those nominations included Bob Eames, Aviation; Jill Jester, Chamber of Commerce; Keely Briggs, City Council; Gerard Hudspeth, City Council; Jim Fykes, Top 20 Taxpayer; and John Baines, Denton Black Chamber of Commerce.

Council Member Gregory motioned, Council Member Hudspeth seconded to approve the nominations. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

### Ordinance No.2017-240

- B. A17-0001d Conduct the second of two readings and consider adoption of an ordinance of the City of Denton voluntarily annexing approximately 118.041 acres of land, generally located north of McKinney Street and west of Trinity Road; providing

for a correction to the city map to include the annexed lands; providing for a savings clause and an effective date.

Ron Menguita, Long Range Planning Administrator, presented the information concerning the proposed annexation and the annexation schedule. He read the ordinance caption into the record.

Council Member Gregory motioned, Council Member Ryan seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-241

- C. A17-0004d Conduct the second of two readings and consider adoption of an ordinance of the City of Denton for an involuntary annexation of approximately 6.71 acres of land, generally located north of Brush Creek Road and east of Fort Worth Drive by the City of Denton, Texas; providing for a savings clause and an effective date.

Ron Menguita, Long Range Planning Administrator, stated that this was the second reading for the annexation ordinance. He presented the proposed development and location of the property. He also reviewed the annexation schedule and read the ordinance caption in to the record.

Council Member Ryan motioned, Council Member Hudspeth seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Resolution No. R2017-032

- D. ID 17-1131 Consider approval of a resolution by the City of Denton, Texas, approving the grant application for "Denton - Specialized Regional Response Teams Sustainment" project for fiscal year 2016 to the Office of the Governor; authorizing the City Manager or his agents official authority over this project; declaring an effective date; and requiring delivery of the Resolution to the Office of the Governor; and providing an effective date.

City Manager Hileman presented information concerning the grant application.

Council Member Briggs motioned, Council Member Ryan seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-242

- E. ID 17-1137 Consider adoption of an ordinance of the City of Denton adopting and approving a design manual in accordance with Chapter. 284, Deployment of Network Nodes in Public Right-of-Way, Tex. Local Gov't code; and providing an effective date.

Mario Canizares, Assistant City Manager, presented an overview of Senate Bill 1004 regarding the purpose of the bill, highlights and implementation plan. The legislation required compliance by all cities with a September 1<sup>st</sup> deadline. He noted what companies were involved.

Council discussed procedures if two companies requested the same pole at the same location.

Canizares continued with key provisions of SB 1004; implementation process; implementation plan and recommendations.

Council discussed whether the cities were passing similar ordinances or would the ordinances be different for each city; was there a difference with TxDOT roads versus City roads; cost recovery for allowed fees; and coordinate with Traffic if a request was to put a device on a traffic signal.

Council Member Gregory motioned, Council Member Briggs seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-243

- F. ID 17-1138 Consider adoption of an ordinance of the City of Denton adopting and approving fees related to implementation of Chapter 284, Tex. Local Gov't Code; and providing an effective date.

Council Member Ryan motioned, Council Member Gregory seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-244

- G. ID 17-1139 Consider adoption of an ordinance of the City of Denton adopting and approving a uniform Chapter 284 service pole wireless network node collocation attachment license agreement; authorizing the City Manager or designee to execute said agreements; and providing an effective date.

Council Member Hudspeth motioned, Council Member Ryan seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-245

- H. ID 17-1140 Consider adoption of an ordinance of the City of Denton authorizing the City Attorney to negotiate and draft municipally owned utility pole wireless network node collocation attachment license agreement with network providers as needed; authorizing the City Manager or designee to execute an effective date.

Council Member Briggs motioned, Council Member Gregory seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council

Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

## **2. CONCLUDING ITEMS**

- A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Council Member Duff requested a report on the loss in revenue from property and sales taxes if the McDonalds project did not go forward.

Council Member Hudspeth requested a presentation on parameters for posted agendas items and the number of times it had been challenged.

Council Member Ryan requested staff research the placement of council subcommittees posted on the website.

Council Member Briggs requested a traffic study for Wind River and how traffic will affect that area with the Bucee's opening.

Council Member Briggs requested a staff report on the wave of retirements/departures of employees and how that affected the budget this year.

Council Member Briggs requested information on minimizing extra utility poles around the city.

Council Member Briggs requested a report on the communication breakdown with the Employee Insurance Committee and how prevent something similar in the future.

Council Member Gregory requested a report on the number of street lights on University Drive.

- B. Possible Continuation of Closed Meeting topics, above posted.

There was no continuation of the Closed Meeting.



With no further business, the meeting was adjourned at 6:06 p.m.

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CHRIS WATTS  
MAYOR  
CITY OF DENTON, TEXAS

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JENNIFER WALTERS  
CITY SECRETARY  
CITY OF DENTON, TEXAS