

CITY OF DENTON CITY COUNCIL MINUTES

November 14, 2017

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, November 14, 2017 at 12:00 p.m. in the Council Work Session Room at City Hall.

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

ABSENT: Council Member Hudspeth

1. Citizen Comments on Consent Agenda Items

There were no citizen comments on Consent Agenda Items.

2. Requests for clarification of agenda items listed on the agenda for November 14, 2017.

Staff responded to Council requests for clarification on the following items

Council Member Briggs- pull Consent Agenda Item A for separate consideration.
Council Member Ryan - pull Consent Agenda Item N for separate consideration
Mayor Pro Tem Bagheri – noted that she would not be participating in Closed Session A.

It was noted that Closed Session Item C would not be considered.

Mayor Watts stated that he had requested a reconsideration of Individual Consideration Item 2D as he felt that the applicant did not give an adequate presentation during the prior meeting.

3. Work Session Reports

- A. ID 17-1562 Receive a report, hold a discussion, and give staff direction regarding a review of the Solid Waste Department's procedures and internal controls by Weaver & Tidwell, LLP.

Ethan Cox, Director of Solid Waste, presented an evaluation of functions, processes and controls for the Solid Waste Department.

Alyssa Martin, Weaver & Tidwell, reviewed the Executive Summary for the evaluation. Their charge was to look at specific transaction cycles. Their purpose was to assess the procedures and controls currently in place to ensure appropriate coverage of inherent risks in the process, compliance with the City's policies and appropriate use of the City's resources. She presented the results of the evaluation in terms of identification of existing internal controls as well as recommended enhancements and additions to the control structure. A review of the ten high risk observations identified during the evaluation was noted.

Cox presented the management response to the Weaver evaluation in terms of points for consideration, risk assessment, management action plan and status.

Council discussed the reasoning for the evaluation and the results.

- B. ID 17-059 Receive a report, hold a discussion, and give staff direction regarding the Denton Energy Center Air Permit Review being conducted by Black and Veatch Corporation and additional studies or analysis to be conducted in connection with the Denton Energy Center.

Diane Fisher, Black and Veatch, presented information on the permit and emissions review of the Denton Energy Center. The presentation included an overview of the assignment and conclusions, permitting process, DEC and Red Gate facility and emission rates comparison, and DEC emissions validation.

Michael Fisher, Project Manager-Black and Veatch, stated that Black and Veatch was contracted for an independent review of the DEC which included a project description, community involvement and assignment.

Mike Rinkol, Black and Veatch, reviewed the permitting process which included the permitting hierarchy; definition of minor and major sources of emissions; and air permitting flow chart for a new source review.

Council discussed classification of the DEC as a major or minor source of emissions and ERCOT operation hours of the plant over the required permit level.

Paul Lee Black and Veatch, reviewed information concerning DEC and the Red Gate facility and emission rates comparison. He presented a comparison of the two facilities; emission rates for DEC and Red Gate; control technologies; and how DEC emissions were validated.

Council discussed the validation of emissions levels.

Bryan Langley, Deputy City Manager, presented information on additional DEC studies for consideration and associated costs which included a health impact analysis and climate impact analysis.

After discussion, Council consensus was not to do either of the additional studies at this time.

- C. ID 17-1476 Receive a report, hold a discussion, and give staff direction regarding the Credit and Collection Policy of the City Utility System.

Tiffany Thomson, Customer Service Manager, reviewed the background information on the credit and collection policy update. The focus areas of the presentation were noted which included meter and billing cycles; compliance and credit scores; fee revenue update; deposit usage; and the P.L.U.S One program.

Council discussed the amount of funding allocated for the assistance program and whether it could be cost effective to do in-house.

Thomson continued with deposit options in terms of new and existing customer options and a homelessness deposit waiver.

Council Member Briggs commented on the deposit procedures which she felt needed to be revised and felt that eliminating some of the deposit procedures might not necessitate an increase in PLUS One funding.

Council discussed their views on the Public Utilities Board recommendation, the deposit process and disconnect process. Consensus was to proceed with the PLUS One recommended changes, including an increase in funding by \$25,000 which could be used towards deposits; update criteria for a new contract and proceed with the homelessness deposit waiver. There was no consensus on changing the deposit process. Council would have another discussion on the deposit process with data available on D, E and F deposit customers.

Council Member Briggs left the meeting

- D. ID 17-1538 Receive a report, hold a discussion, and give staff direction regarding an overview and options for Fire Department recruiting and hiring.

Brad Lahart, Fire Marshall, presented information on the recruiting and hiring at the Denton Fire Department. He noted that the hiring practices were regulated by the Local Government Code 143, the City's regulations for Civil Service Commission and the Firefighter's Meet and Confer Agreement. He reviewed the basic hiring process and hiring requirements and the differences between the Fire Department and Police Department hiring. The various locations for recruiting were noted as well as advertising practices. Lahart continued with 5 Year Entrance Exam Demographics, 2017 Exam Breakdowns, whether individual scholarships were provided and options being considered

Council consensus was to proceed with the "home grown" program at the ATC, obtain feedback from the Fire Department on requirements and financial information on the City providing training for new recruits.

- E. ID 17-1594 Receive a report, hold a discussion, and give staff direction regarding how to proceed with the creation of an ethics ordinance.

Bryan Langley, Deputy City Manager, presented background information on the formation of an ethics ordinance after the passage of the recent Charter amendment. He reviewed the approved Charter language associated with the ethics ordinance and the required components. He also noted the Charter Review Committee's recommended elements for the ethics ordinance. Options on how to draft the ordinance included hiring an outside consultant or have staff research and use other city's ordinances as a model or template. Staff's recommendation was to hire an outside consultant in terms of time involved.

Consensus of Council was to proceed with hiring a consultant. The consultant would report to the Council and would include a public outreach component.

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

1. Closed Meeting:

- A. ID 17-1547 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071

Discuss, deliberate, and receive information from staff and provide staff with direction pertaining to Airport lease payments, penalties, and adjustments, where the deliberation of same in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person or potential litigation. Consultation with the City's attorneys regarding legal issues associated with Airport leases where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton, the Denton City Council, and the Council Airport Committee under the Texas Rules of Disciplinary Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceedings or potential litigation. (CPI Lease Review)

Mayor Pro Tem Bagheri recused herself from deliberation on this item.

- B. ID 17-1570 Deliberations regarding Real Property - Under Texas Government Code, Section 551.072; and Consultation with Attorneys - Under Texas Government Code, Section 551.071

Discuss, deliberate and receive information from staff and provide staff with direction pertaining to the potential purchase of various tracts in the City of Denton, Denton County, Texas, and generally located on the west side of the 2000 block to the 2600 block of South Mayhill Road, Denton, Texas for City infrastructure improvements. Consultation with the City's attorneys regarding legal issues associated with the potential acquisition or release of real property interests in the tracts described above, and the status and strategy of litigation styled City of Denton, Texas v. Robert P. Donnelly, Cause No. 17-5939-158, currently pending in the 158th District Court of Denton County, Texas, where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or litigation.

- C. ID 17-1586 Consultation with Attorneys - Under Texas Government Code, Section 551.071.

Consult with the City's attorneys regarding legal issues associated with a proposed engagement to complete an audit and investigation previously initiated by the City's former Internal Auditor, where a public discussion associated with these legal matters would clearly conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.

This item was not considered.

- D. ID 17-1600 Deliberations regarding Real Property - Texas Government Code Section 551.072; Consultation with Attorneys - Texas Government Code Section 551.071.

Discuss, deliberate, and receive information from staff and provide staff with direction pertaining to the lease and use of 1001 S. Mayhill Rd., Buildings 101 and 102, and 1301 S. Mayhill Rd., Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with lease of lease and use of said property described above where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation.

Following the completion of the Closed Meeting, the City Council convened in a Special Called Meeting to consider the following items:

1. CONSENT AGENDA

Council Member Gregory motioned, Council Member Ryan seconded to approve the Consent Agenda and accompanying ordinances and resolutions with the exception of Item V which would not be considered and Item A and N which would be pulled for separate consideration. On roll call vote, Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-350

- B. ID 17-1493 Consider adoption of an ordinance accepting competitive bids and awarding a contract for the supply of Water Treatment Chemicals for the Water and Wastewater Departments; providing for the expenditure of funds therefor; and providing an effective date (IFB 6530-awarded to multiple vendors with the award to the lowest responsible bidder meeting specification for each line item in the four (4) year not-to-exceed amount of \$7,076,000). The Public Utilities Board recommends approval (7-0).

Ordinance No. 2017-351

- C. ID 17-1501 Consider adoption of an ordinance accepting competitive proposals and awarding a contract for Phase II of monument repair work at Oakwood and IOOF Cemeteries; providing for the expenditure of funds therefor; and providing an effective date (RFP 6294-awarded to Texas Cemetery Restoration LLC in the not-to-exceed amount of \$104,423).

Ordinance No. 2017-352

- D. ID 17-1517 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton African American Scholarship Foundation, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$8,240 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-353

- E. ID 17-1518 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Chamber of

Commerce (Convention and Visitors Bureau) for the payment and use of hotel tax revenue; and providing an effective date. (\$1,323,545 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-354

- F. ID 17-1519 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Community Market, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$15,965 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-355

- G. ID 17-1520 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Community Theatre, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$25,000 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-356

- H. ID 17-1521 Consider adoption of an ordinance authorizing the City Manager to execute an interlocal agreement between the City of Denton and Denton County for the payment and use of hotel tax revenue in support of the Denton County Office of History and Culture; and providing an effective date. (\$349,776 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-357

- I. ID 17-1522 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Festival Foundation, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$103,000 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-358

- J. ID 17-1523 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Holiday Festival Association, Inc. for the payment and use of hotel tax revenue; and provide an effective date. (\$18,231 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-359

- K. ID 17-1524 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Central Business District Association, Inc., d/b/a Denton Main Street Association for the payment and use of hotel tax revenue; and providing an effective date. (\$31,280 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-360

- L. ID 17-1525 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Greater Denton Arts Council, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$144,200 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-361

- M. ID 17-1526 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and Denton Dog Days, Inc. for the payment and use of hotel tax revenue, and providing an effective date. (\$18,629 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-363

- O. ID 17-1528 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the North Texas State Fair Association for the payment and use of hotel tax revenue; and providing an effective date. (\$154,500 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-364

- P. ID 17-1529 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Tejas Storytelling Association, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$54,329 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-365

- Q. ID 17-1530 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and the Denton Black Chamber of Commerce, Inc. for the payment and use of hotel tax revenue; and providing an effective date. (\$23,249 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-366

- R. ID 17-1531 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and Music Theatre of Denton for the payment and use of hotel tax revenue; and providing an effective date. (\$5,250 - Hotel Occupancy Tax Committee recommends approval 3-0)

Ordinance No. 2017-367

- S. ID 17-1532 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and Texas Filmmakers' Corporation for the payment and use of hotel tax revenue; and providing an effective date. (\$16,242 - Hotel Occupancy Tax Committee recommends approval 3-0)

Approved the minutes listed below.

- T. ID 17-1540 Consider approval of the minutes of October 10, October 17, October 20, and October 24, 2017.

Ordinance No. 2017-368

- U. ID 17-1587 Consider adoption of an ordinance authorizing the engagement of the law firm of Lynn, Ross and Gannaway, LLP, and the BKD, LLP accounting firm, to complete a previously initiated audit and investigation, pursuant to the terms of the attached contract for professional services; and further authorizing the expenditure of budgeted funds for the engagement, in an amount not to exceed \$50,000, without subsequent amendment of the approved contract; and providing an effective date.

This item was not considered.

- V. ID 17-1588 Consider approval of a resolution to allow a historical marker to be placed in Quakertown Park in honor of Floyd Freeman Graham and declaring an effective date.

Ordinance No. 2017-369

- W. ID 17-1595 Consider adoption of an ordinance authorizing the City Manager to execute a Professional Services Agreement (PSA) for engineering services related to the review of development projects for the City of Denton, and providing an effective date (File 6629-awarded to Kimley-Horn and Associates, Inc. in the not-to-exceed amount of \$175,000).

The items pulled for separate consideration were considered.

Resolution No. R2017-050

- A. ID 17-1372 Consider approval of a resolution of the City of Denton, Texas, approving the Denton Municipal Electric Sponsorship Program guidelines and application process.

Council Member Gregory motioned, Council Member Ryan seconded to approve the resolution. On roll call vote, Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "nay", and Mayor Watts "aye". Motion carried with a 4-1 vote.

Ordinance No. 2017-362

- N. ID 17-1527 Consider adoption of an ordinance authorizing the City Manager to execute an agreement between the City of Denton and Kiwanis Club of Denton, Breakfast, Denton, TX, for the payment and use of hotel tax revenue; and providing an effective date. (\$5,485 - Hotel Occupancy Tax Committee recommends approval 3-0)

Council Member Ryan recused himself from deliberation/vote on this item.

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

Council Member Ryan returned to the meeting.

2. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. A17-0005c Conduct the first of two readings of an ordinance of the City of Denton for a voluntary annexation of approximately 73.47 acres of land generally located north of Long Road and west of FM 428 by the City of Denton, Texas.

Cindy Jackson, Senior Planner, reviewed the details of the annexation including the location of the property, use for the property, and the annexation schedule. She read the ordinance caption into the record.

No action was required on this item.

Ordinance No. 2017-370

- B. ID 17-1499 Consider adoption of an ordinance accepting competitive bids and awarding a best value contract for the supply of light duty vehicles which include sedans, passenger vans, pickup trucks, and hybrid electric vehicles for various City departments; providing for the expenditure of funds therefor; and providing an effective date (IFB-BV 6577-awarded to the lowest responsible bidder meeting specification, James Wood Autopark in the three (3) year not-to-exceed amount of \$4,050,000).

Terry Kader, Fleet Services Superintendent, presented information on the contract for the purchase of light duty vehicles. He showed light duty vehicle examples and noted the objective of the contract. Key points of the contract were noted along with proposed directions on options.

Council Member Ryan motioned, Council Member Duff seconded to adopt the ordinance. On roll call vote, Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "nay", and Mayor Watts "aye". Motion carried with a 4-1 vote.

Ordinance No. 2017-371

- C. ID 17-1512 Consider adoption of an ordinance accepting a competitive proposal and awarding a contract for the management of the City's Stoke Denton Entrepreneur Center (RFP 6571); authorizing the City Manager or designee to execute the form of contract; and providing for an effective date.

Council Member Gregory recused himself from deliberation/vote on this item.

Bryan Langley, Deputy City Manager, presented the information on the Stoke contract, noting that staff had made the suggested contract revisions from the last meeting. He reviewed the vision of the proposal, the partnerships with the proposal, performance metrics and deliverables, and fiscal information.

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

Council Member Gregory returned to the meeting.

- D. ID 17-1607 Consider a motion to reconsider holding a public hearing and adopting an ordinance of the City of Denton, Texas, regarding an initial zoning classification of Neighborhood Residential 6 (NR-6) District on approximately 16.39 acres. The property is generally located at the northeast corner of Mayhill Road and Mills Road. The Planning and Zoning Commission voted 7-0 to approve the request. (Z17-0023, Cope Addition). The City Council's motion to approve failed (2-4).

Mayor Watts indicated that he had requested this reconsideration as he felt that the applicant did not convey all of the relevant information concerning the project which he felt was important to the Council's decision.

Council Member Gregory motioned, Council Member Ryan seconded to approve the reconsideration. On roll call vote, Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously

- E. ID 17-1609 Consider approval of appointments to the City Hall West Steering Committee.

Mark Nelson, Director of Transportation/Facilities, reviewed the background of the formation of the committee. This meeting would establish the nominees for the steering committee.

In addition to those nominations already listed in the agenda backup materials, Council Member Gregory appointed Rob Hodack, Mayor Watts appointed Peggy Riddle, and Mayor Pro Tem Bagheri nominated Rachel Weaver.

Council Member Gregory motioned, Council Member Ryan seconded to approve the appointments. On roll call vote, Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously

3. 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 did not have any items.

With no further business, the meeting was adjourned at 6:33 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS