

# CITY OF DENTON CITY COUNCIL MINUTES

August 2, 2018

After determining that a quorum was present, the City Council convened in a Work Session on Thursday, August 2, 2018 at 8:30 a.m. in the Council Work Session Room at City Hall.

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

ABSENT: Council Member Armintor

## 1. Work Session Reports

- A. ID 18-1223 Receive a report, hold a discussion, and receive departmental presentations in preparation for the FY 2018-19 Proposed Budget, Capital Improvement Program, and Five Year Financial Forecast.

Umesh Dalal, City Auditor, presented the Internal Audit budget. He reviewed performance measures, accomplishments, budget emphasis, and budget highlights.

Council Member Armintor arrived at the meeting.

Nick Vincent, Utilities Business Manager, presented the financial portion of the Solid Waste proposed budget. He noted Solid Waste assumptions, cost containment, future risks and mitigation strategies, 5 year forecast, budget highlights, next steps and proposed rates.

Ethan Cox, Director of Solid Waste, presented the departmental presentation regarding Solid Waste. He noted goals and accomplishments, budget emphasis, process improvements, cost containment, and 5 year capital plan.

- B. ID 18-1171 Receive a report, hold a discussion, and give staff direction regarding the FY 2018-19 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

Tony Puente, Director of Finance, presented the proposed 2018-19 budget information. Major portions of the presentation included the General Fund projection assumptions, General Fund forecast and budget, debt tax rate impact, special revenue and internal service funds, Enterprise funds, capital program, total budget and next steps. Assumptions for the General Fund included assessed value increased, debt service portion of tax rate, M & O portion of tax rate, sales tax and franchise fees. Vacancy management/salary savings information was provided in terms of amount of savings and reasoning for the vacancy management program. Proposed compensation and benefits were noted for merit increases, health insurance funding, and retirement funding. Figures concerning property values and the effective tax rate, calculation of the effective tax rate, tax rate history, market values, appraised values, sales tax by prior fiscal years, and 5 year growth rate data were reviewed.

Council discussed the Truth-In-Taxation calculation versus the City calculation of the effective tax rate and differences in tax rate with the added tax ceiling/freeze now included.

Puente next provided information on the General Fund proposed revenues, proposed expenditures, and proposed expenditures by function along with the General Fund forecast. Supplemental funding requests recommended for the budget and those currently unfunded were noted.

Council discussion included:

- The thoroughfare plan was unfunded but would the cost change in light of the fact that the County had just completed their plan
- The Animal Shelter was understaffed and whether that was addressed in the supplemental packages
- Status of the ADA Master Plan
- Whether the thoroughfare plan/mobility plan could be combined
- If the red light camera contract was not renewed whether the excess funds could be used for traffic signals
- What was the reason for the increase in homestead taxable values
- Consider a study or monitor Civil Service as to whether the added value over market rate affected the City's ability to track competitive employees
- Include the funding for mobility and the thoroughfare plan in the proposed budget

Puente presented Capital Improvement funding requests information in terms of Phases 1 and 2 as well as the debt tax rate impact for the Phase 1 projects.

Council discussed:

- Whether the Phase 1 capital improvement funding requests figures reflected projects that were complete and ready to start
- Bonnie Brae future project phases
- Information concerning the Parks capital improvements Phase 2 requests and ways to look for funding for those projects in the proposed budget
- Costs involved for Fire Station 8 in Phase 2 and the possibility of obtaining the engine before the station was built
- Consider funding for Parks projects in Phase 2 to be taken from the Fund Balance

Puente provided information on Special Revenue & Internal Service funds. Those funds included the Traffic Safety Fund.

Council discussed the reasoning for a city-wide speed study and replacement of traffic signals due to the age of the signals.

Puente noted funding for the Tax Increment Reinvestment Zones #1 and #2 and the appraised values for the fund.

Council discussed the new value figures which were only on new construction and not renovations of old buildings. They requested information on the breakdown of the old value compared to new value for the appraisals.

Other special revenue funds were discussed by Puente in terms of dollar amounts in the funds and any associated proposed uses for those funds. Internal Service funds were also noted as well as the supplemental funding requests on those funds.

Council discussed:

- The use of CVS as the primary pharmacy provider
- Provide a comparison with other pharmacies used
- The Health Insurance fund included expenses for the Health Clinic and a question on when that contract was expiring

Puente next discussed the Enterprise funds which were comprised of the Airport fund, Electric fund, Water fund, Wastewater fund, and Drainage. The monthly rate impact for the average residential customer for the utility funds was noted. There would be no rate changes for the Water fund and a 5% rate decrease in the Wastewater fund. The 2018-19 Capital Program for total new funding and General Government proposed debt were noted.

Council discussion included:

- Reasoning why customers were charged more for guaranteed same day service
- Reasoning for reconnection fees when there were so many remote meters
- Consideration of a 5% of late bill for the charge for late fees instead of a set rate
- Review the 1% past due charge on account balances
- Present additional information on the DEC funding and associated renewable sources that also assisted in that funding, including costal wind in the information

Puente concluded with the next steps in the budget process covering the next several months.

Council asked for a more detailed listing of miscellaneous categories and fees on the funding graphic presentation and questioned the downward trend of the franchise fees.

- C. ID 18-1146 Receive a report, hold a discussion, and provide staff direction on the design and construction of the new tennis center.

Gary Packan, Director of Parks and Recreation, provided the staff report on the new tennis center. Project goals included replacing the existing tennis center, providing programs for various ages and abilities, attracting sports tourism, stimulating economic development and enhancing the city identity and community pride. He noted the aspect/orientation of the location for the new center, design guidance with USTA, three various design scenarios for the facilities, funding, and project timeline.

Council discussion included:

- Pros and cons of sharing with limited number of courts but provide space for future expansion
- Purpose of a pro shop
- Cost comparison of resurfacing existing courts instead of building a new facility
- Whether there were court fees to use the facility or free play
- Staffing for the pro shop
- Whether an environmental study for drainage from the proposed courts had been done
- Amount of tournaments to help finance the debt
- There was a need to balance the interest of residents to use the courts in addition to holding tournaments.

Council Member Ryan left the meeting.

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

**1. ITEMS FOR INDIVIDUAL CONSIDERATION**

Resolution No. 18-1172

- A. ID 18-1172 Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 18, 2018, City Council public meeting agenda to adopt a 2018 Tax Rate that will not exceed the lower of the rollback rate or the effective tax rate; calling two public hearings on a tax increase to be held on August 14, 2018, and September 11, 2018 and calling a budget public hearing on the Fiscal Year 2018-2019 Annual Program of Services of the City of Denton to be held on September 11, 2018; requiring publication of notices of the public hearings in accordance with the law; requiring the posting of the notices of the public hearings on the City's Internet website; requiring the posting of the notices on the City's public access channel; and providing an effective date.

Tony Puente, Director of Finance, presented the staff report on the proposed tax rate. The proposal was to set the maximum proposed rate at the current tax rate using the State calculations for the effective and rollback rates. The required publications and two public hearings on the tax rate would be properly noticed.

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

Ordinance No. 18-1236

- B. ID 18-1236 Consider adoption of an ordinance of the City of Denton, Texas, amending Ordinance No.2018-004, prescribing the number of positions in each classification of Police Officer; providing a repealer clause; and declaring an effective date.

City Manager Hileman stated that Chapter 143 required adoption of an ordinance reflecting the exact number of police positions in the current budget. The proposed ordinance reflected the new structure of the Police Department with one assistant chief and two deputy chiefs. Bobby Smith had been appointed the Assistant Chief.

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

Resolution No. 18-1211

- C. ID 18-1211 Consider approval of a resolution confirming the appointment by the City Manager of Bobby Smith as interim Police Chief for the City of Denton Police Department, and declaring an effective date.

City Manager Hileman stated that the proposed ordinance was required under Chapter 143 whereby the governing body was required to confirm the appointment of a police chief by the City Manager. He was recommending Bobby Smith be appointed Interim Police Chief.

Council Member Hudspeth motioned, Council Member Briggs seconded to approve the resolution. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Meltzer "aye", Council Member Armintor "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 Briggs

- Discussion on whether the Public Art Committee should be included in the Ethics ordinance or have a separate procedure for that board
- Make sure the cross walks were properly marked at the schools as schools were about to start
- Staff report on consultants and the amount spent in 2017 to date

Council Member Hudspeth

- Email on how far out the marketing piece/branding piece was for facilities

Council Member Armintor

- Staff report on ways to proposed new agenda items

With no further business, the meeting was adjourned at 3:00 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