

CITY OF DENTON CITY COUNCIL MINUTES

June 18, 2013

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, June 18, 2013 at 3:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Hawkins, Council Member Roden, Mayor Burroughs

ABSENT: None

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 June 18, 2013.

Council Member Gregory requested that Item L on the Consent Agenda be pulled for separate consideration.

Mayor Burroughs requested that Item F on the Consent Agenda be pulled for separate consideration.

3. Receive a report, hold a discussion, and give staff direction regarding the acceptance of competitive proposals and awarding a public works contract for the construction of the Linda McNatt Animal Care and Adoption Center.

Scott Fetcher, Captain Denton Police Department, stated that there were 11 total respondents which were ranked by the selection committee. The committee reviewed the submitted proposals and scored each using determined selection criteria. The top two firms moved to the interview phase. Prior to the interviews, each respondent was provided a list of questions from the committee to prepare in advance. Ranking factors included price score, project schedule, LEED experience, and indicators of performance. Following the selection committee's ranking of Schmoldt Construction as the best value respondent, the City requested a Best and Final Offer for the project. The best and final offer reduced the price to \$4.2 million. Schmoldt has also offered an additional one percent discount for payment of invoices paid within 20 days.

Fiscal impact – the original estimate for the project was \$5 million with the actual bid price coming in at \$4.28 million. With prompt payment the cost will be reduced to \$4.23 million resulting in savings of approximately \$768,908 - \$811,709.

Funding – The Denton Animal Shelter Foundation gave a check to the City for \$1,271,200 resulting from their capital campaign. The Foundation also had \$218,830 in future draws on pledges plus additional funding for furniture/fixtures/equipment and the vet clinic. City funds for the construction were at \$2,790,042 including future pledge draws. The overall project cost including land, design, master plan and construction was at \$6,958,573 plus \$185,000 for furniture/fixtures and equipment.

Project Schedule – Schmoldt was anticipating a start date of July 1, 2013 and a completion date of April 15, 2014 with approximately 285 construction days.

4. Receive a report, hold a discussion and give staff direction regarding City Council committee nominations.

City Secretary Walters reviewed the current council committee assignments and asked if Council would like to make any changes.

The following changes were suggested:

Airport Committee – Council Member Hawkins to replace former Council Member Watts

Audit/Finance – Council Member Hawkins to replace former Council Member Watts

Mobility Committee – Council Member Roden to replace Mayor Burroughs

Committee on the Environment – Council Member Engelbrecht to replace Council Member Roden

Hotel Occupancy Tax – Council Member Hawkins to replace former Council Member Watts

Property Maintenance Code Committee – Council Member Roden to replace former Council Member Watts

City Secretary Walters indicated that these changes would be made and would be ready for Council consideration during the regular meeting.

5. Receive a report, hold a discussion, and give staff direction regarding the preliminary FY 2013-14 Proposed Budget, Capital Improvement Program, and Five Year Financial Forecast.

Chuck Springer, Director of Finance, presented the details of the item. He stated that the budgetary themes included street maintenance expansion, utility infrastructure, maintain competitive compensation, manage TMPA debt requirements in Electric Utility, and very limited funding to address General Fund growth needs.

Assumptions for General Fund Projections included (1) assessed value increases for 2013-14 would be 3% and 4% in 2014-15, (2) property tax rate would have a one cent tax rate increase in 2014-15 with the debt service tax rate remaining the same, (3) sales tax in 2013-14 was 4.2% above the 2012-13 budget and in 2014-15 and beyond were projected at 3-5%, (4) franchise fees had all growth in revenues transferred to the Street Improvement fund.

Compensation and benefits assumptions – 2013-14 had a 3% merit increase, equity adjustments and STEP increases for Civil Service. Future fiscal years also had a 3% package. Health insurance assumed a 6% increase in city contributions while the employee contribution rates had yet to be determined. TMRS had a fully funded rate that would decrease by 0.45% in calendar year 2014.

Springer reviewed the preliminary General Fund projection. The five year projection included revenues, a one cent tax increase, expenditures, and new expenses. Changes in the fund balance were also reviewed.

Supplemental packages - General Fund - General Fund departments had requested supplemental packages totaling approximately \$7.0 million. Staff was still in the process of refining estimates for supplemental packages; however, there was a limited capacity for supplemental packages. The General Fund sales tax per capita for various surrounding cities and the assessed values per capita were reviewed.

Council Member Roden stated that to catch up to the budgeted amount for next fiscal year \$2.9 million per month in revenue would be needed in the next five months. He questioned Springer how confident he was that the City would meet those projections.

Springer stated that currently the City was up about one percent from last year but needed to be up 2% to keep on track.

Council priorities and requests included Downtown shuttle service, supplemental bicycle lane funding, Downtown reinvestment grant program, community market enhancements, restore council contingency funds, funding of Human Services Advisory Committee requests, update to the 2003 TIP Strategies Economic Development Plan, creative Economy Impact study, dedicated administrative position for Mayor and Council, Master Plan for Public Art, Firefighter Museum additional funding, collaborative co-working space partnership, Economic Development events and programming, development of a Downtown Innovation District, city-owned high speed internet utility Downtown, Code for America City Program, 311 system, street repair update web application and neighborhood district initiative.

Street Improvement Fund – included an estimated \$11.4 million OCI related spending in 2017-18 including bond funding. At this level of funding in 2017-18, the OCI rating would stabilize. An additional \$20 million in bond funding after 2016-17 to maintain stabilization would be required.

Increased street maintenance funding – an increased level of funding was required to get back to the 2009 OCI rating and maintain it going forward. To return the OCI rating to the 2009 level by the end of ten years approximately \$740,000 per year in additional operational funding was needed which would basically double the current operating funding increase that was projected. It also required an additional \$20 million in bond funding after 2016-17. The operating funding increase equated to a five-cent rate increase by FY 2017-18 and an eight-cent tax rate increase for the complete program.

Increased Street Maintenance Funding Options – included additional funding transferred from the General Fund, reduce current programs and shift resources, defer non-street maintenance capital program and use debt service savings, dedicated property tax rate increase, dedicated street maintenance fee, adoption of street impact fees to reduce debt service tax rate and rate for street maintenance purposed and additional bond sale beginning in 2014-15.

Electric Utility Fund issues included (1) TMPA debt payoff, (2) replacement of aging infrastructure, (3) construction of transmission system with increased revenue to DME, (4) five-

year CIP of \$353.8 million, (5) base rate increase of 2.5% for FY 2013-2014 and each year thereafter for 4 years until the TMPA debt was fully absorbed.

Water Utility Fund issues included (1) a focus on infrastructure replacement and needed expansion of the system, (2) continue to increase revenue funded infrastructure replacement to cover transmission and distribution replacement at 100% and plant at 25%, (3) five year CIP of \$98.6 million with \$44.5 revenue funded, and (4) rate increase of 4% for 2013-14.

Wastewater Utility Fund issues included (1) focus on infrastructure in terms of replacement, expansion and sanitary sewer overflow program,(2) continuing program to build to planned level of revenue funded replacement, (3) five year CIP of \$82.6 million excluding general capital program drainage projects, and (4) a rate increase of 9% for 2013-2014.

Solid Waste and Recycling fund issues included (1) major projects included property permit/expansion, compressed natural gas fueling facility, grease and grit trap processing and building finish out and (2) a rate increase of 3% for standard cart with recycling and 5.3% for large cart with recycling.

Tourist and Convention Fund issues include (1) revenues above budget in current year, (2) HOT Committee to provide budget recommendations for 2013-14, and (3) emphasis on maintaining available balances for future Convention Center and CVB project costs.

Debt Service Fund and General Capital program issues included (1) debt service tax rate estimated to remain stable, (2) debt service expenditures already set by debt sales in current fiscal year, and (3) recommended capital program for 2013-14 would be presented with proposed budget.

The total General Government debt per capita in 2012 was reviewed along with the next steps in the budget process.

Council Member Gregory suggested adding information concerning whether there was sufficient green space in the Downtown area due to the increased development in the area. He also asked about where Quakertown Park was in the Parks Master Plan.

Council Member Roden requested a work session on economic development strategies.

Following the completion of the Work Session, the Council convened in a Closed Session to consider the following:

1. Closed Meeting:

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

1. Discuss, deliberate, and receive information from staff and provide staff with direction pertaining to the potential purchase of certain real property interests located in the M. Yoachum Survey, Abstract No. 1442, City of

Denton, Denton County, Texas (located generally along the 200 block of Mockingbird Lane). Consultation with the City's attorneys regarding legal issues associated with the potential acquisition of the real 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.

Regular Meeting of the City of Denton City Council at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney.

1. PLEDGE OF ALLEGIANCE

The Council and members of the audience recited the Pledge of Allegiance to the U. S. and Texas flags.

2. PROCLAMATIONS/PRESENTATIONS

A. Proclamations/Awards

There were no proclamations/awards for this meeting.

3. CITIZEN REPORTS

There were no citizen reports.

4. CONSENT AGENDA

Mayor Burroughs noted that Items F and L would be pulled for separate consideration.

Mayor Pro Tem Kamp motioned, Council Member Engelbrecht seconded to approve the Consent Agenda and accompanying ordinances and resolutions with the exception of Item F and L. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins - "aye". Motion carried unanimously.

Approved the minutes listed below.

A. Consider approval of the minutes of:

May 6, 2013

May 7, 2013

May 14, 2013

May 21, 2013

Ordinance No. 2013-149

B. Consider adoption of an ordinance authorizing the City Manager, or his designee, to execute on behalf of the City of Denton a First Amendment to an Airport Lease Agreement as approved by Ordinance 2012-236 on September 18, 2012 between

the City of Denton, Texas and HTA Aviation for the property located at 4910 Lockheed, Denton Enterprise Airport; and, providing an effective date.

Ordinance No. 2013-150

- C. Consider adoption of an ordinance authorizing the City Manager, or his designee, to execute on behalf of the City of Denton a Three-Way Agreement between the City of Denton, Atmos Energy Corporation and DCG Construction, LLC for the installation of a natural gas distribution line at Denton Enterprise Airport, said gas line to be owned, operated and maintained by Atmos Energy Corporation; and providing an effective date.

Ordinance No. 2013-151

- D. Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the Buy Board Cooperative Purchasing Network (Contract #416-12) for Uniform Purchase or Rental for City employees; and providing an effective date (File 4584-Employee Uniform Purchase or Rental awarded to G&K Services in the annual estimated amount of \$400,000 for a three (3) year not-to-exceed amount of \$1,200,000).

Ordinance No. 2013-152

- E. Consider adoption of an ordinance to the City of Denton, Texas authorizing the City Manager to execute a Professional Services Agreement between the City of Denton and Weaver and Tidwell, L.L.P. for Independent Audits; authorizing the expenditure of funds; and providing an effective date (File 5259-Audit Services awarded to Weaver and Tidwell, L.L.P. in the not-to-exceed amount of \$140,000 for 2013, \$142,500 for 2014 and \$145,000 for 2015 for a total award not-to-exceed \$427,500).

Ordinance No. 2013-154

- G. Consider adoption of an ordinance by the City of Denton, Texas, authorizing the City Manager to execute a First Amendment to the Utility Bill Printing and Mailing Services contract with Ancor Information Management LLC, dba Utilitec, providing for a one (1) year contract extension with two (2) one-year optional extensions in the not-to-exceed amount of \$350,000/year; providing for the expenditure of funds therefor and providing an effective date (Bid 4246-First Amendment to Contract for Utility Bill Printing and Mailing Services in the annual amount not-to-exceed \$350,000 for a three (3) year not-to-exceed total of \$1,050,000). The Public Utilities Board recommends approval (6-0).

Ordinance No. 2013-155

- H. Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the Purchase of Twelve (12) Vehicles for the City of Denton Water, Wastewater and Electric Departments; providing for the expenditure of funds therefor; and providing an effective date (RFP 5183-awarded to James Wood Auto Park in the amount of \$324,701.55). The Public Utilities Board recommends approval (6-0).

Ordinance No. 2013-156

- I. Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the Design and Installation of Structured Communications Cabling for various City of Denton Departments; providing for the expenditure of funds therefor; and providing an effective date (RFP 5217-awarded to T-Datacom, Inc. in the annual estimated amount of \$84,000 for a three (3) year total not-to-exceed \$252,000).

Ordinance No. 2013-157

- J. Consider adoption of an ordinance amending Ordinance No. 2006-331 to decrease the adoption fees for dogs and cats and to allow for adoption subsidy donations to reduce the adoption fees in special circumstances for specific animals at the discretion of the Animal Services Supervisor pursuant to Chapter 6 of the Code of Ordinances of the City of Denton, Texas; providing that a schedule of fees shall be maintained on file in the office of the City Secretary; a severability clause; providing a savings clause; and providing an effective date.

Ordinance No. 2013-158

- K. Consider adoption of an ordinance authorizing the City Manager to execute an Interlocal Cooperative Purchasing Program Agreement with the City of Arlington, Texas under Section 271.102 of the Local Government Code, to authorize City of Denton contracts for the purchase of various goods and services; authorizing the expenditure of funds therefor; and declaring an effective date (File 5282-Interlocal Agreement with the City of Arlington).

Item F was considered.

Ordinance No. 2013-153

- F. Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a Professional Services Agreement with Sawko & Burroughs, LLP, for professional services related to collection of delinquent taxes on behalf of the City of Denton; and establishing an effective date.

Mayor Burroughs left the meeting with a conflict of interest.

Council Member Roden motioned, Council Member Engelbrecht seconded to adopt the ordinance. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Council Member Hawkins – “aye”. Motion carried unanimously.

Mayor Burroughs returned to the meeting.

Item L was considered.

Ordinance No. 2013-159

- L. Consider adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving a one (1) year contract with two (2) one-year options to renew, for the Legislative Management Suite Agenda Workflow Solution for the City of Denton in addition to the Government Transparency Solution and the

Meeting Efficiency Suite, which are available from only one source and in accordance with Chapter 252.022 of the Texas Local Government Code such purchases are exempt from the requirements of competitive bidding; and providing an effective date (File 5277 awarded to Granicus, Inc. in the not to exceed amount of \$171,081).

Betty Williams, Director of Administrative Services, presented information on the proposal which was a contract for the Granicus Legislative Management System for the Agenda. This would be an automated process for producing the agenda for distribution. It would provide benefits to the public with enhanced search features and searches for individual council votes. It would also create historical reports and could be used for board and commission agendas.

Council Member Roden stated that this program would provide a lot more information for the citizens of Denton.

On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins – “aye”. Motion carried unanimously.

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider appointments to Council committees.

City Secretary Walters reviewed the revised list of council committees as presented in the Work Session.

Council Member King motioned, Council Member Hawkins seconded to approve the amended list of appointments. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins – “aye”. Motion carried unanimously.

Ordinance No. 2013-160

- B. Consider adoption of an ordinance accepting competitive proposals and awarding a public works contract for the construction of the Linda McNatt Animal Care and Adoption Center; providing for the expenditure of funds therefor; and providing an effective date (RFP 5253-awarded to Schmoltdt Construction, Inc. in the amount of \$4,280,072).

Capt. Scott Fletcher presented information on the ordinance. He stated that this was a public private partnership for the building of the facility. One third of the construction would be from private donations. Many hours from volunteers were put into the project to solicit the donations for the facility. The project was designed to be about 1 1/2 times bigger than the current facility and would feature habitats for different types of animals. The facility would be attached to North Lakes Park with green space and walking tracks. Fletcher reviewed the provisions for the cats and dogs with special features for each type of animal. A spay/neuter clinic would be on site plus a community room for training at the shelter.

The contract was the result of a request for proposal process. The selection committee ranked 11 respondents with the top 2 coming in for interviews. The recommendation from committee was to award the contract to the Schmoldt Construction Company. The time line was July 1, 2013 to April 15, 2014. The end result would be an enhancement to the community.

Mayor Pro Tem Kamp motioned, Council Member King seconded to adopt the ordinance. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins – “aye”. Motion carried unanimously.

6. **PUBLIC HEARINGS**

Ordinance No. 2013-161

- A. Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, providing for a Comprehensive Plan Amendment from Existing Land Use Future Land Use Designation to Community Mixed Use Centers Future Land Use Designation on approximately 42.611 acres of land. The subject property is generally located west of Nottingham Drive, north of Mingo Road, and south of University Drive (US 380) within the City of Denton, Denton County, Texas; providing for a penalty in the maximum amount of \$2,000.00 for violations thereof, severability and an effective date. (CA13-0001; Denton Bible Church) The Planning and Zoning Commission recommends approval (5-0).

Brian Lockley, Director of Planning and Development, presented the details of the proposal. The request was for a plan amendment from the Existing Land Use Future Land Use designation to Community Mixed Use Centers. He reviewed the current land use, the existing land use objectives and the current zoning map. The proposed future land use map was shown which show community mixed use center designation as well as the objectives of a community mixed use center. The Planning and Zoning Commission and the Development Review Committee recommended approval.

The Mayor opened the public hearing.

Pat Smith spoke in favor.

Lee Allison spoke in favor.

The Mayor closed the public hearing.

Council Member Gregory motioned, Mayor Pro Tem Kamp seconded to approve adopt the ordinance. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins – “aye”. Motion carried unanimously.

Ordinance No. 2013-162

- B. Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, providing for a zoning change from Neighborhood Residential

Mixed Use (NRMU) and Neighborhood Residential 3 (NR-3) zoning district classification and use designation to Community Mixed Use General (CM-G) and Neighborhood Residential Mixed Use (NRMU) zoning district classification and use designation on approximately 58.289 acres. The subject property is generally located east and west of Nottingham Drive, north of Mingo Road, and south of University Drive (US 380); and providing for a penalty in the maximum amount of \$2,000.00 for violations thereof, severability and an effective date. (Z13-0001, Denton Bible Church) The Planning and Zoning Commission recommends approval (5-0).

Brian Lockley, Director of Planning and Development, stated that this was the second half of the comprehensive plan amendment. This was a zoning change request to Community Mixed Use General. He reviewed the current future land use, proposed future land use map, zoning map, proposed zoning map. The Planning and Zoning Commission and the Development Review Committee recommended approval.

Council Member Engelbrecht asked if there were plans to enhance the traffic signal at Nottingham for a left turn signal and if there would be sidewalks on both sides of Nottingham.

Lockley stated that there were no plans as part of the rezoning request for signal improvements. He would follow up with a response for the sidewalks.

The Mayor opened the public hearing.

Lee Allison spoke in favor.

Pat Smith spoke in favor.

Council Member Roden asked what the goal was for the site and what would be built there.

Smith stated that the vision was to build a four facility complex. Phase I would host 10-12 non-profit agencies. There would be a community accessible event center. He reviewed the agencies which would be served by the facility on the property.

The Mayor closed the public hearing.

Council Member Hawkins motioned, Council Member King seconded to adopt the ordinance. On roll call vote: Council Member Engelbrecht, Mayor Pro Tem Kamp, Council Member King, Council Member Gregory, Council Member Roden, Mayor Burroughs, Council Member Hawkins – “aye”. Motion carried unanimously.

7. CITIZEN REPORTS

There were no citizen reports.

8. 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.

Mayor Burroughs presented a report on his recent trip to Mexico with UNT.

Mayor Burroughs noted that he would be attending the US Conference of Mayors and would be one of the presenters at the Water Counsel for development of water resource development.

- B. Possible Continuation of Closed Meeting under Sections 551.071-551.086 of the Texas Open Meetings Act.

There was no continuation of the Closed Session.

With no further business, the meeting was adjourned at 7:24 p.m.

MARK A. BURROUGHS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS