

CITY OF DENTON CITY COUNCIL MINUTES

September 1, 2015

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, September 1, 2015 at 9:00 a.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Roden, Council Member Johnson, Council Member Hawkins, Council Member Briggs, Mayor Pro Tem Gregory, Council Member Wazny and Mayor Watts.

ABSENT: None.

1. Work Session Reports

- A. ID 15-649 Receive a report; hold a discussion, and give staff direction regarding the 2015-16 Proposed Budget, Capital Improvement Program and Five-Year Financial Forecast.

Mayor Watts stated that before starting to discuss the budget, he would like to have information presented regarding a new statute about the budget and budget votes.

City Attorney Burgess stated that the law had changed in the last legislative session as it related to action on the budget. A vote on an ordinance that set the tax rate exceeding the effective tax rate had to be a record vote and had to be approved by 60% of the members which would be five members for a vote on the budget. Additionally, if Council failed to pass a budget, it would be set at last year's budget or at the effective tax rate, whichever was less.

Chuck Springer, Director of Finance, stated that was only for the vote on the tax rate and not the vote on the budget. The vote on the tax rate had to be 5-2 while a vote on budget could be 4-3. He noted that he had provided questions and answers regarding the budget but did not have a formal presentation.

Council Member Wazny stated that she had concerns/issues with some of the budget items. She was not on board with the \$200,000 for Human Resources. One item was \$125,000 for a consultant fee for a salary study. She felt the City was competitive with other cities in the area for salaries. She would also like to remove the \$78,000 software for the LEEP program as was an enhancement. She would like to examine the \$200,000 city-wide space study which was reduced to \$150,000. There was a former space study on the books which needed to be studied further. She still had a problem with the \$84,000 for an employee to water plants and trim trees on Hickory and the Square. Her constituents brought up to her the issue of employee pay increases and the message it was sending to taxpayers. As a compromise she suggested going back to pay raises across the board but use the inflation rate as a cap instead of 5%.

Council discussed how best to discuss the budget items in terms of each individual council member's list or by topic. Consensus was to discuss the budget items topic by topic instead of each Council Member presenting his/her lists individually.

#1 – Funding for Convention Center Marketing. Fund portion of Community Event Center Improvements from the Tourist & Convention Fund.

Springer stated that there was \$150,000 set aside for future Convention Center marketing with discussion to remove and replace with funding for the Community Event Center. There were

several items posted for Closed Meeting in case Council wanted to discuss that item in Closed Session.

Council Member Hawkins was in agreement with using HOT funds for the item.

Council Member Johnson wanted to make sure it legally feasible to use those funds in that manner.

Council Member Roden stated that he would like a legal discussion on the topic as he had concerns if this was the best route to go. He suggested saving discussion for the Closed Meeting.

#2 – Learning Management Software supplemental package

Springer stated that this item was paid for by more than one fund. The total package was \$78,000 with \$40,372 coming from the General Fund.

Council Member Wazny stated that she was not convinced that was money she wanted to spend in this budget.

Mayor Pro Tem Gregory asked for an explanation of the software purpose.

John Whitmore, Organizational Development Manager, stated that the package had two major portions. One section was for tracking information for employees such as outside certifications or regulatory compliance. It allowed for coordination of all the certificates. It also had employee development tracking through training and development through Human Resources. Supervisors could look at that information as the software coordinated the training. The library could be used for on-line or in person for the training.

Council Member Wazny felt that a good manager should know what classes and certifications his/her employees had accomplished.

Council Member Roden felt that the program would centralize all of the records and allow employees to see where they were in terms of competency and encourage people to take additional training. He was not opposed to the expense.

Council Member Hawkins felt that the software might encourage employees to get training faster rather than at the end of the year.

Council Member Johnson stated that it seemed like a lot of money on the surface but when it included training for the software, it was more realistic.

Mayor Watts stated that given the age of the current technology and the fact that two or three tasks had to be done to get the information, this software would allow a manager to get the data from their computer.

Consensus of the Council was that the funding for #2 would remain in the budget.

#3 – Compensation Consultant Supplemental package

Council Member Wazny stated that she did not want to spend the money for the consultant fee.

Carla Romine-Haggmark, Director of Human Resources, stated that the current pay plan was done in 2007. Experts recommend a pay plan be looked at regular intervals to make sure it was keeping equity in the plan.

Council Member Wazny stated that she understood the need to revisit the plan every so often. She felt it would be best served by keeping the money back for now and do at a later date due to the recession that was in the middle of the review time period.

City Manager Campbell stated that having a well-designed compensation plan was critical for a merit pay plan so that the job classifications were relative to each other. Those changed as the market changed.

Council Member Briggs stated that she would be in favor of not doing the study this budget session.

Council Member Roden questioned when it was suggested that the study be done.

Council Member Wazny stated that she had watched other city and state governments do it every 10 years. 2017 would be a ten year period which would include the 4 years from the recession.

Council Member Roden questioned how the recession impacted the study.

Council Member Wazny stated that there was a ten year cycle with compensation review among different cities. Four years of the recession took four years out of that ten years.

Council Member Roden questioned Romine-Haggmark how the recession affected the plan.

Romine-Haggmark stated that with the recession, cities were not moving pay plans with freezes and no increases. They were now seeing movement in the market.

Council Member Roden felt that the City needed to be sure it was on pace with other cities.

Mayor Pro Tem Gregory stated that he was comfortable keeping the funding in the budget. Denton had a number of enterprise funds where it was competing directly with the private sector.

Council Member Johnson stated that he was in favor of keeping the funding but would like to challenge thinking to make sure Denton was doing the same thing other cities were doing. There might be a need to look at roles and responsibilities and types of employees to recruit. He did not want to think that Denton could only compare itself to other governments and should be able to compare to the private sector as well.

Mayor Watts suggested keeping the consultant fees down as the amount budgeted for would be the amount of the fee suggested from the consultant.

Springer stated only the revenue passed in the budget could be spent. If the fees were more, staff would have to come back to Council for the approval.

Mayor Watts questioned how many years the study would incorporate.

City Manager Campbell stated that the study should be good for 5-7 years unless there was an erosion of the workforce

Consensus of the Council was to keep the amount in the budget as shown.

#4 – Website Redesign supplemental package

Council Member Johnson felt that the amount requested was too large for website design. He indicated that not everything had to be done at one time. His suggestion was to budget \$100,000 for a redesign and see if it could be done for that. Staff could come back later for an adjustment. He didn't want to start eliminating items if something could be done for less.

Council Member Hawkins asked for a breakdown of costs for the redesign.

Alison Ream, Administrative Services Manager, stated that the item involved more than redeveloping a new website with additional functionality. It also included customer relationship management for self-service for services, making more of a customer relation experience. It also involved migrating the old pages to the new site and redesigning. Staff had looked at similar cities for a scope of services and also discussed with vendors for costs.

Council Member Hawkins asked about using the existing website and updating parts of it.

Ream stated that staff had asked the current vendor for a proposal for what they wanted to do. The initial proposal was over \$100,000 with no customer interaction.

Council Member Wazny stated that she liked Council Member Johnson's suggestion as it was a common sense approach to an investment. She understood wanting to redo the website but comparing Denton to Arlington was not the same as Arlington was more than twice the size of Denton.

Council Member Roden stated that it sounded like a lot of money but the project was very comprehensive. He was in favor of doing it right from the start.

Mayor Pro Tem Gregory stated that he was interested in building a website that did not pattern after other cities. He felt the current site was difficult to search.

#5 – Funding for additional veterinary technician contract services.

Council Member Wazny asked Chief Howell to comment on this funding.

Chief Howell stated that two full time staff members had been added in anticipation of the new shelter. After opening, the shelter had twice as many animals than anticipated. He submitted for new positions and also knew there would be a need for additional vet services. He felt an additional vet tech for five days per week would be beneficial for the operation of the shelter.

Council Member Wazny felt the position was important to add to the shelter.

Mayor Watts asked if the salary amount was based on an amount from the contractor.

Howell stated it was an estimate from the current contractor.

Mayor Pro Tem Gregory stated that the Informal Staff Report had indicated there were three options and he questioned Howell which one he would recommend.

Howell stated that his recommendation was an additional day with the vet as well. Currently the vet had three full days per week but he recommended an additional day for the vet.

Mayor Watts stated that currently was not in the budget.

City Manager Campbell replied correct.

Mayor Watts suggested setting this issue aside for now and see where it might come up at the end of the process. It was hard to commit to it right now.

Council Member Briggs stated that she was in favor of the funding.

Council Member Johnson stated that as Council worked through the budget, they needed to think of priorities as they related to homeless people. He did not want to spend more on homeless animals than on homeless people.

#6 – Professional Services for Planning

Mayor Watts stated this item would be considered the same as what was done with other services in the budget.

#7 – Parks Maintenance Supplemental Package

Council Member Wazny stated that if Council was looking for money for the animal shelter, some of these funds could be used for that. Eliminate this new hire which was for the Downtown Square and have Parks adsorb the cost.

City Manager Campbell stated that there were programs added over a period of time with no additional funding.

Emerson Vorel, Director of Parks and Recreation, stated that the funding Council was seeing was less than half of what was requested. The funding was not solely for Hickory Street and the downtown area. They had the responsibility for the grounds of the new animal shelter but had no funding for the maintenance. As the City added little pieces of property to the inventory, there were no additional funds to maintain those. The request was really for pieces of time for a number of individuals to work all over the city. There were also newly planted new trees around the city which all needed maintenance and water plus irrigation parts for the watering cycle which was also part of the package.

Council Member Roden stated that he was aware of the unfunded mandates and that the Parks Department actually asked for more than was put in the budget.

Council Member Johnson felt that the tree mitigation fund could be used for maintenance of the trees and that money from the TIF fund plus the tree mitigation fund could be used for this position.

#8– City-wide facility study supplemental package

Mayor Watts stated that he had reviewed the 2002 Facilities Space Study and would not be in favor of spending any more money on this type of a study until that data had been reviewed more carefully. Instead of spending money on a new study, he recommended studying the data in the 2002 study.

Mayor Pro Tem Gregory agreed with that proposal.

Consensus of the Council was not fund the study at this time.

#9 – McKinney Street mid-block crossing

Mayor Watts stated that he would be in favor of taking money from the Traffic Safety fund for this project as that was what it was for.

Council Member Roden stated that the next item regarding bike racks also was related to parking and that the more alternatives provided, the better it was for citizens. He questioned if the bike racks could also qualify under that same fund.

Deputy Chief Scott Fletcher felt that would have to be researched if those funds could be used for that purpose.

Mayor Watts felt that if the \$90,000 for the mid-block crossing was being moved to the Traffic Safety fund, then Council should be able to find the dollars needed for the bike racks.

Council was in agreement with that procedure.

Council Member Johnson asked if those funds could be used for safety lighting for public parking facilities.

Fletcher felt that if the funds were being used for pedestrian safety to move around in the area, the lighting should be applicable. However, the funding probably would not apply if it was just for making the area brighter.

#10 – Little “d” bike racks

This item was discussed with #9.

#11 – Fire Training Captain

Robin Paulsgrove stated that this position was eliminated in 2010. There were State and federal regulations for training that had to be documented. This was currently being done with one training position. The Department was also required to document training and all the sustainability of the organization for ISO rating. Three years of documentation of the sustainability process was

needed. The ISO preparation needed to start now in addition to other programs. Currently the Department was redeploying these responsibilities to other personnel for the ISO preparation.

Council Member Wazny felt that the funding for this position needed to be found as it was an important position.

Mayor Watts stated that he struggled with adding this position without finding other funding. He questioned if this was a duty a certified fire fighter had to do.

Paulsgrove stated that it did not have to be a certified fire fighter. Over time the sustainability of record keeping, which was an administrative function, had been lost.

Mayor Watts stated that an administrative position rather than a certified fire fighter should be hired.

Paulsgrove stated yes that it had to be that.

City Manager Campbell stated that the position currently was not in the current budget recommendation.

Consensus of Council was that the ISO administrative functions would be on the Chief and Deputy Chief this year but would be a priority in the next budget.

Springer reviewed the changes made up to this point: (1) eliminate the facilities study, (2) increase the contract for the vet technician services, (3) add funding for the Little "d" bike racks and move the funding for the mid-block crossing to the Traffic Safety fund. A determination still needed to be made in regards to the Parks Maintenance position as currently it was fully funded in the General Fund.

Mayor Watts stated that Council had prior discussions regarding a city-wide economic development fund. There was the Downtown Incentive Fund which was a separate fund. It had been suggested to fund that Downtown Incentive Fund at \$80,000 and he felt it would be nice to put all of those funds into the new city-wide economic fund. He would also like to see some additional funds to up the total amount to \$100,000 or \$150,000.

Council Member Roden felt that was a good suggestion and would be in favor of the \$150,000 amount.

Council reviewed the list of expenditures in terms of one-time or reoccurring expenses.

The City Council convened in a Closed Meeting at 11:23 a.m. to consider the specific items listed below under the Closed Meeting section of this agenda.

1. Closed Meeting:

- A. ID 15-827 Consultation with Attorneys - Under Government Code, Section 551.071.

Consultation with the City's attorneys regarding legal issues associated with the Work Session item above posted regarding the 2015-16 Proposed Budget, Capital Improvement Program and Five-Year Financial Forecast 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.

- B. ID 15-653 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 2015-2016 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2015-2016, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

Council returned to the Open Session at 12 noon.

Springer noted that suggested Council changes to the budget included (1) reduce the funding for the Community Event Enhancement to \$103,000 from the General Fund and fund the remaining \$150,000 from HOT funds, (2) leave the Kiwanis fireworks funding from the General Fund, and (3) fund South by Southwest Marketing from HOT funds at \$22,430.

City Manager Campbell stated that the funding for the facilities study had been eliminated and no funding in out years for the leases for moving people out of City Hall West. He suggested rolling those funds into the Fund Balance to be available if needed.

Consensus of the Council was to roll additional money into the General Fund to be used as needed.

With no further business, the meeting was adjourned at 12:20 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS