

## CITY OF DENTON CITY COUNCIL MINUTES

August 25, 2015

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, August 25, 2015 at 2:00 p.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 15-774 Meet with representatives of Texas Woman's University to receive information and discuss campus planning issues including but not necessarily limited to the use, re-use, or development possibilities of the TWU golf course.

Chancellor Feyten stated that she and Dr. Mendez-Grant would be speaking to the Council regarding the TWU golf course. A University Task Force had met to provide advice on use of the course which included the financial challenges associated with the course. It was found that the majority of usage was from people in the community. Their intent was to listen to what Council had to say and provide them input on the options.

Dr. Mendez-Grant, Vice-President of Student Life, presented some facts concerning the University and indicated that the University had 15,000 students last year with a diverse student body. The charge for the Committee was to explore all possible venues available regarding the TWU golf course and the land on which the golf course existed. They were looking for a positive revenue stream for the course, if possible. Finding of study showed that the number of rounds played by faculty, staff and students was 3% combined with the primary use by people outside the University. In terms of operations, there was a five year trend of losing money on the course. The course was short with a number of par 3 holes and with the advancement in balls and equipment was not as challenging a course as people might want. The course took 108 acres of the total campus area. There was also a housing shortage on campus which was taken into account for the space.

In terms sustainability, the course used 20 million gallons of water per year at \$100,000 per year. The consultant also indicated that a minimum of a \$1 million investment was needed for an irrigation system as the current system was old and the use of potable water for the course was not an attractive option at this time. There was also a need for a golf cart storage unit.

Council Member Roden felt that the University wanted to get out of the golf course business and questioned if that was correct.

Chancellor Feyten stated that was part of it. The University was working on a strategic plan master plan for all of the assets of the University. While it was not ready yet it was part of the decision making process. They were concerned with the low usage with the university community as students were not using it but were paying for it. Students coming to the University were not the ones that would be playing golf as most were commuters to the campus. This had a community impact as they were the one using the course.

Council Member Wazny stated that universities were for education and education was not golf. While it might have been a good idea years ago, looking at the whole scenario there was not one part that made sense. There was another golf course in Denton that was open to the public so the University should not make decision on the fact that there wasn't any place else to play as that was incorrect. Her position would be to close the course, get the University to grow and make it all it could be.

Council Member Johnson stated that if 80% of the students were commuters and didn't live on campus, did the University have a percentage for a target goal for students on campus property.

Chancellor Feyten stated that was part of the strategic plan. This was the first time embarking on a comprehensive strategic plan and not just an academic plan.

Dr. Mendez-Grant stated that currently the University was not allowing each student who requested to live on campus the opportunity to do that.

Council Member Hawkins stated that even if the City invested money in the golf course it would still be a short course.

Chancellor Feyten stated correct plus there was no space for a driving range and no way to change the entrance.

Council Member Roden stated that future uses of the course included mobility issues such as Mingo Road. As the conversation continued, he suggested looking into those mutually beneficial needs. He had no interest in the City getting into the golf course business and the community was not calling for it in great numbers.

Mayor Watts appreciated the conversation and commitment to team work between the two entities. While it was an affordable course to play at this time, it took up over 1/2 of the campus. As the University continued to decide what to do with the course he suggested keeping in mind mobility needs in the area.

Mayor Pro Tem Gregory stated that he was not opposed to the course staying there but if developed he hoped a green space would be included as the area was very lovely.

Chancellor Feyten stated that the University was committed to the green space as they knew that one factor to attract students to a campus was the beauty of the campus.

Mayor Pro Tem Gregory felt it might be helpful to hear from staff about the need for a municipal course.

- B. ID 15-784 Receive a report; hold a discussion, and give staff direction regarding the 2015-16 Proposed Budget, Capital Improvement Program and Five-Year Financial Forecast.

Chuck Springer, Director of Finance, presented a summary of the direction given last week from Council.

Council Member Hawkins asked about the deferred maintenance for City Hall West.

Springer stated that the direction was to not do maintenance to City Hall West until a decision had been made on what to do with the building. The money from that debt would be used for the parking lot.

Council Member Wazny stated that this was a suggested budget from staff to Council and she wanted staff to know that it was fluid. She had a number of suggestions for possible consideration.

#1 – take the \$150,000 funding that was earmarked for the CVB and put it towards the Community Market as the Convention Center had not yet been approved. There was a \$50,000 Farmer's Market Grant that could be applied for which would bring the amount up to \$200,000.

#2 - \$125,000 for a consultant to review the pay plan structure. She requested more information on that consultant.

#3 - \$78,000 for Learning Management software for the LEEP program. She requested more information on that request.

#4 - Space study. The Mayor had already indicated that he was not comfortable spending \$200,000 on a space study.

#5 - \$84,000 for care for plants on Hickory Street and for a new employee. She felt that was a lot of money for one employee to do that work.

#6 – the funding for the body cameras for the Police Department needed to stay.

#7 - \$250,000 for vehicles. Council had not talked about the \$2.96 million financing for the rest of the vehicles. She felt it was a low amount for a cash investment with interest rates being very low at this time. Her suggestion would be to forget the money for the next 5 years which would free up that money.

#8 - health care costs and city payroll. The City was spending \$20 million a year for health care costs which was a lot of money taxpayers used to take care of staff. She did not see anything of a payroll reduction which she had asked for. In 2012-13 the average pay increase was 3%. In 2013-14 it also averaged a 3% plus a 3% for this year. That was 9% for three years with a theoretical cap of 15% if received 5% over the 3 years. Her suggestion would be those salaries at \$50,000 and below be capped at 3%. \$51,000 to \$100,000 be capped at 1.5% and \$100,000 and above have a salary freeze. However, that would not include Police and Fire.

#9 - Fleet Management was spending less on fuel which was down \$2 million from the 2013-14 budget.

Springer stated that a good portion of that decrease was due to DCTA no longer purchasing fuel from the City.

#10 - \$200,000 for website enhancement. She questioned if the CRM would include requests related to Planning and what were the requests. She also asked if there would be a request for proposal process and how the amount needed would be determined.

Springer stated that a competitive process would be done and that the amount was an estimate of the cost to upgrade the website. It would include any type of citizen request going through an electronic process.

#11 – In 2009 when the budget was tight the position of Fire Training Caption was eliminated. She felt it was an important position for the upcoming ISO rating and would like to include it in the budget.

#12 - asphalt recycle machine and 5 new employees. The discussion had centered on a time factor rather than a money saver. She would like the five new employee costs justified as these were on going costs.

#13 – the Animal Shelter was understaffed with three options presented for positions. She had reached out to other vets with shelter experience and asked them what was needed. 100% replied having a vet tech five days a week would be more productive.

John Cabrales, Assistant City Manager, stated that the City currently was under contract for another full time vet tech at a cost of \$62,816.

Council Member Wazny stated that her recommendation would be to include another new position. In the long term between now and next spring, look at the difference between hiring the City's own people and not work through a 3rd party understanding that salaries would be lower but would have benefits. She requested a Work Session on where the contract was now, what it was paying and a competitive rate with other shelters in the area.

Council Member Hawkins indicated that he struggled with a payroll differentiations and questioned what that would do towards morale. Salaries were based on the market and he concerned to not send a message that because you make a certain amount of money, you do not get a raise this year. He asked how long this would be done if approved.

Council Member Wazny stated that her suggestion was only for this next year based on raises for the past 3 years. She knew the City was spending a lot of money on staff salaries and was questioning some of those upper salaries.

Council Member Hawkins stated that he would worry about the message that would send to staff and was against that type of proposal. Raises were based on merit and if doing a good job, an employee should be able to get a raise.

Council Member Johnson stated that some of Council Member Wazny's comments were questions, some were she did not think the proposal should be done, and some were she thought they should be done. He questioned if there should be discussion on those items at this meeting or wait until next week for staff responses.

Mayor Watts stated if some of Council Member Wazny's suggestions were going to be integrated into the budget, there needed to be a consensus on what want to do differently. He also had a few comments and there was a time when Council was going to have to decide whether or not to change the budget proposals.

Council Member Johnson suggested going through the list to determine those for clarification and those that needed discussion to determine a consensus for next week.

Council Member Roden stated that time was important for some of the items. He suggested working through some of those that did not involve significant cuts or additions.

Mayor Pro Tem Gregory stated that he would be open to some of the items presented but on others he would want background information from staff before starting to discuss. He indicated that he was in a different place with payroll funding. There were years when there had been salary freezes and he was not in favor of funding on the backs of employees. Pay had to remain competitive to retain employees.

Mayor Watts indicated that he was not sure this was the only place changes had to be made of additional amounts. He suggested reducing the amount for the facility study. He was uncomfortable having that in the budget because one was done in prior years and he would like to see that before making a decision. He agreed with the cash option for vehicle funding for next year. There was no notation about Clarion lowering their estimate. He asked for a report on CDBG funds not spent from prior years. He noted that there was \$1 million in the red light camera fund and asked for an explanation of those funds. He requested information on a budget comparison from last year for total compensation and comparison of employees in departments over the years. He was in agreement with the GIS tech position in Planning but indicated that he did not want to get locked into this matrix.

Mayor Watts asked about the possibility of moving HOT funds from the Convention Center.

Jon Fortune, Assistant City Manager, stated that as the project advanced and during the construction period a key phase was the marketing phase. The current funds were earmarked for the future to begin marketing.

Council Member Wazny stated that a convention center had not been approved at this time. Her preference was to take \$150,000 from that fund for a more immediate need.

Mayor Watts stated that he would like to hear this was a legitimate use of HOT fund money.

Springer indicated that he would need to consult with Legal to determine if that would be allowed.

Council Member Johnson felt that it would be better to start earlier in the process. He felt maintenance on City Hall West did not make sense to spend the dollars until the use of the building was decided. He thought it would be good to right now use debt for everything possible as the interest rate was so low. Next year the procedure could change if the situation changed. He suggested debt funding the parking lot and the vehicles. He didn't want to eliminate the facility study altogether but wanted staff to do the work and review the 2001 study.

Council Member Roden stated that the space study had so many contingencies. He suggested that to have flexibility moving through the year, that the \$150,000 be earmarked with direction not to use the funds until Council had more in-depth discussion.

Mayor Watts indicated he was in favor of that procedure.

Mayor Pro Tem Gregory felt that it would not be a bad time to debt service the vehicles but he was not sure he wanted to wait 5 years. He wanted to get moving on long term issues.

Mayor Watts requested a special Work Session to review the prior space study.

Council Member Roden asked about the CRM/website issues. There was the expectation from citizens to find the answers they needed on the website and felt that there was a need for some major overhauls for the site.

Alison Ream, Administrative Services Manager, stated that the project involved designing a new website for the City. It would improve the functionality to find where to go, payments on line and CRM calls. The cost figure was determined by an external survey of users and in-house users and what they wanted the website to look like.

Mayor Watts asked about the use of the Economic Development fund to expand the scope to include other companies that wanted to do things Downtown. There currently was \$40,000 in that fund which could be used somewhere else.

Council discussed the economic development fund, uses of the fund, what the money should be now used for, and whether the funds should be used in other locations in the City.

Council Member Johnson stated that his recommendation would be to take \$100,000 in the Downtown Investment Grant and use as seed capital for an Economic Development Investment Fund.

Council Member Wazny was in agreement with Council Member Johnson's recommendation.

Council Member Johnson stated his recommendation would include adding the \$100,000 to the \$80,000 already in the fund.

Council Member Roden felt this would be a major philosophical shift. The fund would be for drawing other types of businesses. He would be in favor of a more comprehensive conversation on the proposal.

Mayor Watts suggested leaving the funds in the budget for a more extensive conversation before it was spent.

Council Member Johnson recommended suspending allocations until Council had such a conversation.

Bissett stated that there was still money allocated in the current budget cycle. She would allow applications under the existing budget cycle and change at the beginning of the new fiscal year.

Mayor Watts felt that moving forward for the five year forecast he was not sure there was money for a new behavioral health leadership team within the city. Part of that team was the appointment of two people and he recommended a future agenda item to determine who those two appointees should be.

Mayor Pro Tem Gregory felt that as staff came back with answers to questions for other funds being available, to remember that the City was still not where it needed to be for road repairs. Funding was still short in the amount needed to stabilize overall road conditions.

Council Member Johnson asked what the percentage total of the bond money for streets had been spent to far.

Council Member Roden stated that the City was spending lots of money on roads but were depending heavily on bond funding for street fixes. He suggested looking at scenarios on franchise fees over the course of the next ten years and the implication on the General Fund. A goal needed to be set looking at franchise fees.

Mayor Watts stated that there were two different components of streets. Reconstruction could not use bond funds. New construction could not use franchise fees for cash funding.

Council discussed the pros and cons of the street maintenance fund, the use of the funds, whether the OCI rating was an adequate determination of street conditions, setting a goal and how to get to that goal in terms of funding for operation and maintenance.

Following the completion of the Work Session, the City Council convened in a Special Called Closed Meeting at 4:53 p.m. to consider the specific items listed below under the Closed Meeting section of this agenda.

1. Closed Meeting:

- A. ID 15-613 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086.

Receive a presentation from Denton Municipal Electric staff ("DME") regarding public power competitive and financial matters pertaining to plans, strategies, opportunities, and developments for generation improvements to the DME system; discuss and deliberate strategies relating to selecting and acquiring generation resources for the City; discuss and deliberate opportunities and strategies for the City to acquire purchased power and enter into agreements regarding the same, in order to meet its future energy needs. Discuss, deliberate and provide Staff with direction.

- B. ID 15-614 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086.

Receive a presentation from Denton Municipal Electric ("DME") regarding public power competitive and financial matters; communication plans and strategies for

possible generation improvements to the DME system. Discuss, deliberate and provide Staff with direction.

- C. ID 15-772 Deliberations Regarding Real Property - Under Texas Government Code Section 551.072; Deliberations Regarding Economic Development Negotiations - Under Texas Code Section 551.087; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive information from staff, discuss, deliberate and provide staff with direction regarding the potential acquisition, exchange, lease or value of real property located generally in the 200 block of W. Mulberry, the 200 block of N. Elm, the 200 block of W. McKinney, the 200 block of N. Cedar, and the 200 block of E. McKinney in the City of Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with the potential real property matter 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.

The Council returned to Open Session at 7:00 p.m. and with no further business, the meeting was adjourned.

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CHRIS WATTS

MAYOR

CITY OF DENTON, TEXAS

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JENNIFER WALTERS

CITY SECRETARY

CITY OF DENTON, TEXAS