



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda

City Council

Tuesday, September 13, 2016

1:00 PM

Work Session Room & Council Chambers

After determining that a quorum is present, the City Council of the City of Denton, Texas will convene in a Work Session on Tuesday, September 13, 2016 at 1:00 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

1. Citizen Comments on Consent Agenda Items

This section of the agenda allows citizens to speak on Consent Agenda Items only. Each speaker will be given a total of three (3) minutes to address any items he/she wishes that are listed on the Consent Agenda. A Request to Speak Card should be completed and returned to the City Secretary before Council considers this item.

2. Requests for clarification of agenda items listed on the agenda for September 13, 2016.

3. Work Session Reports

- A. [ID 16-1103](#) Receive a report; hold a discussion, and give staff direction regarding the limitation of municipal taxes on homesteads of disabled and elderly (tax freeze).

Attachments: [Exhibit 1 Presentation](#)

[Exhibit 2 Exemption Map](#)

[Exhibit 3 Deferral Map](#)

- B. [ID 16-1148](#) Receive a report, hold a discussion and give staff direction regarding additional amendments to the 2015 International Energy Conservation Code (IECC) as proposed by the North Central Texas Council of Governments and recommended by staff.

Attachments: [Exhibit 1- Proposed 2015 Energy Code Ordinance](#)

[Exhibit 2- Additional Amendment Proposed by COG](#)

[Exhibit 3- Council Presentation on Updated Amendment](#)

- C. [ID 16-1062](#) Receive a report; hold a discussion, and give staff direction regarding the FY 2016-17 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

Attachments: [Exhibit 1 Memorandum of Responses](#)

Following the completion of the Work Session, the City Council will convene in a Closed Meeting to consider specific items when these items are listed below under the Closed Meeting section of this agenda. The City Council reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

1. Closed Meeting:

- A. [ID 16-973](#) 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 regarding same; 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. [ID 16-1031 & 16-1032]

- B. [ID 16-1115](#) Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086; Consultation with Attorneys - Under Texas Government Code Section 551.071.

Receive a presentation from staff regarding public power competitive and financial matters related to the City’s participation in, and the overall operational and financial aspects of, the Texas Municipal Power Agency; discuss and deliberate strategies regarding same; discuss, deliberate and provide staff with direction. Consultation, discussion, deliberation, and receipt of information from the City’s attorneys involving legal matters relating to public power competitive and financial matters related to the City’s participation in, and the overall operational and financial aspects of, the Texas Municipal Power Agency, and to provide the City Attorneys with direction, where a public discussion of 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. [ID 16-1114]

- C. [ID 16-1117](#) Deliberations regarding Real Property - Under Texas Government Code Section 511.072; 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 of real property interests generally located in (i) the Gibson Myers Survey, Abstract No. 843, the Johnson, Green, Myers, and Brummell Survey, Abstract No. 1699, the Moses H. Davis Survey, Abstract No. 377, and the William Wilburn Survey, Abstract No. 1419, City of Denton, Denton County, Texas, for the possible construction of an electric generation facility, and (ii) the William Wilburn Survey, Abstract No. 1419, City of Denton, Denton County, Texas, for the West Parallel Runway Project for Denton Enterprise Airport where deliberation of the potential acquisition of these real property interests in an open meeting would have a detrimental effect on the position of a governmental body in negotiations with a third party. Consultation with the City’s attorney’s regarding legal issues associated with the acquisition of the real property interests 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. [ID 16-1162]

- D. [ID 16-1192](#)** Deliberations Regarding Certain Public Power Utilities: Competitive Matters --- Under Texas Government Code, Section 551.086.

Receive competitive public power information and competitive financial information from staff regarding an amendment to the operating budget for Denton Municipal Electric ("DME") for FY 2015-2016, including without limitation, revenues, expenses, and commodity volumes; and discuss, deliberate, provide staff with direction regarding such matters. [ID 16-1213]

- E. [ID 16-1057](#)** 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 2016-2017 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2016-2017, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

ANY FINAL ACTION, DECISION, OR VOTE ON A MATTER DELIBERATED IN A CLOSED MEETING WILL ONLY BE TAKEN IN AN OPEN MEETING THAT IS HELD IN COMPLIANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 551, EXCEPT TO THE EXTENT SUCH FINAL ACTION, DECISION, OR VOTE IS TAKEN IN THE CLOSED MEETING IN ACCORDANCE WITH THE PROVISIONS OF §551.086 OF THE TEXAS GOVERNMENT CODE (THE 'PUBLIC POWER EXCEPTION'). THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO A CLOSED MEETING OR EXECUTIVE SESSION AS AUTHORIZED BY TEX. GOV'T. CODE, §551.001, ET SEQ. (THE TEXAS OPEN MEETINGS ACT) ON ANY ITEM ON ITS OPEN MEETING AGENDA OR TO RECONVENE IN A CONTINUATION OF THE CLOSED MEETING ON THE CLOSED MEETING ITEMS NOTED ABOVE, IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, INCLUDING, WITHOUT LIMITATION §551.071-551.086 OF THE TEXAS OPEN MEETINGS ACT.

Special Called Meeting of the City of Denton City Council at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

1. CONSENT AGENDA

Each of these items is recommended by the Staff and approval thereof will be strictly on the basis of the Staff recommendations. Approval of the Consent Agenda authorizes the City Manager or his designee to implement each item in accordance with the Staff recommendations. The City Council has received background information and has had an opportunity to raise questions regarding these items prior to consideration.

Listed below are bids, purchase orders, contracts, and other items to be approved under the Consent Agenda (Agenda Items A – J). This listing is provided on the Consent Agenda to allow Council Members to discuss or withdraw an item prior to approval of the Consent Agenda. If no items are pulled, Consent Agenda Items A – J below will be approved with one motion. If items are pulled for separate discussion, they may be considered as the first items following approval of the Consent Agenda.

- A. [ID 16-1088](#)** Consider adoption of an ordinance of the City of Denton, Texas authorizing the City

Manager to execute a Third Supplement to a Professional Services Agreement by and between the City of Denton, Texas and the law firm of Cole Schotz, P.C., Dallas, Texas for legal services relating to transactional and regulatory work pertaining to the Texas Municipal Power Agency; providing for additional expenditure agency of not-to-exceed \$400,000; providing an effective date. (File 5380 in the additional amount not-to-exceed \$400,000, aggregating a total not-to-exceed \$799,500).

Attachments: [Exhibit 1-Original Agreement and Supplement](#)
 [Exhibit 2-Ordinance](#)
 [Exhibit 3-Third Supplement](#)

- B. [ID 16-1126](#) Consider adoption of an ordinance accepting competitive proposals and awarding a contract for professional services including engineering, design, and customary construction services for the design-build of the proposed Denton Compressed Natural Gas Fueling Station Project; providing for the expenditure of funds therefore; providing an effective date (RFQ 6016-awarded to Zeit Energy LLC in the not-to-exceed amount of \$2,682,445). The Public Utilities Board recommends approval (5-0).

Attachments: [Exhibit 1-PUB Agenda Sheet](#)
 [Exhibit 2-Evaluation and Ranking Sheet](#)
 [Exhibit 3-PUB Minutes](#)
 [Exhibit 4-Ordinance](#)
 [Exhibit 5-Contract](#)

- C. [ID 16-1130](#) Consider adoption of an ordinance approving a Pipeline Crossing contract by and between the City of Denton, Texas and the Kansas City Southern Railway Company relating to the location of a water pipeline within railroad right-of-way, located at mile post D-105.10, Alliance Subdivision within the County and City of Denton Texas; terminating prior license; and providing an effective date. [Pipeline Crossing Agreement for 12-inch water line: 84 Lumber development]

Attachments: [Exhibit 1 - Location Map](#)
 [Exhibit 2 - Site Map](#)
 [Exhibit 3 - Ordinance](#)

- D. [ID 16-1132](#) Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a Professional Legal Services Agreement with the law firm of Baker Moran Doggett Ma & Dobbs LLP, Plano, Texas for professional legal services regarding condemnation matters related to the Mayhill Road Widening and Improvements Project; providing for the expenditure of funds therefor; and providing an effective date (File 5326-awarded to Baker Moran Doggett Ma & Dobbs LLP in the not-to-exceed amount of \$700,000).

Attachments: [Exhibit 1-Original Agreement](#)
 [Exhibit 2-Ordinance](#)
 [Exhibit 3-Contract](#)

- E. [ID 16-1149](#) Consider approval of a resolution of the City of Denton declaring the completion of the work of the Ad Hoc City Council Historic Landmark Committee and dissolving the same; and declaring an effective date.

Attachments: [Exhibit 1- July 29, 2014, Agenda Information Sheet](#)
[Exhibit 2- Draft Resolution](#)

- F. [ID 16-1162](#) Consider adoption of an ordinance authorizing the City Manager, or his designee, to execute a real estate sales contract, between the City of Denton, Texas, a Texas Home-Rule Municipal Corporation, as purchaser, and Eagle Farms, Inc., a Texas Corporation, and John Porter Auto Sales, Inc., a Texas Corporation, (Collectively “Owner”), as seller, to acquire fee title to a 340.469 acre tract situated in the Gibson Myers Survey, Abstract No. 843, The Johnson, Green, Myers, and Brummell Survey, Abstract No. 1699, the Moses H. Davis Survey, Abstract No. 377, and the William Wilburn Survey, Abstract No. 1419, located in the City of Denton, Denton County, Texas, generally south of Jim Christal Road, east of Hickory Court, and north of Tom Cole Road, and more particularly described in Exhibit “A” (“Property Interest”) for the purchase price of eleven million five hundred thousand dollars and no cents (\$11,500,000.00), and other consideration, as prescribed in the Contract of Sale (the “Contract”); authorizing the expenditure of funds; and providing an effective date.

Attachments: [Porter Ordinance signed w exhibit - FINAL - 09092016](#)

- G. [ID 16-1182](#) Consider adoption of an ordinance approving a Development Agreement between the City of Denton and Justland Development LLC, concerning the use of City property for temporary stormwater facilities and construction access for the proposed development of Meadow Oaks Subdivision, Phase 4, until the permanent Ruddell Street Stormwater Facilities are installed; granting temporary drainage and construction access easements in exchange for the developer providing to the City a conveyance of land in fee; providing for the developer to pay any additional costs of design and construction of a permanent stormwater piping system required to accommodate the development stormwater discharge; requiring a performance bond or letters of credit; authorizing the City Manager to execute the agreement and easements; and providing for an effective date.

Attachments: [Exhibit 1- Project Map](#)
[Exhibit 2- Proposed Development Agreement](#)
[Exhibit 3- Proposed Temporary Easements](#)
[Exhibit 4- Ordinance](#)

- H. [ID 16-1183](#) Consider adoption of an ordinance approving an Advance Funding Agreement between the City of Denton and the Texas Department of Transportation (TxDOT), concerning City cost participation in TxDOT’s grade separation improvements project for IH 35E, between State School Road/Mayhill Road and Loop 288 (CSJ No. 0196-01-106); authorizing the City Manager to execute the agreement; and providing for an effective date.

Attachments: [Exhibit 1- Advance Funding Agreement](#)
[Exhibit 2- AFA Ordinance](#)

- I. [ID 16-1184](#) Consider adoption of an ordinance approving a Standard Utility Agreement U14818 and an Advance Funding Agreement for Voluntary Utility Relocation for IH-35E, between Mayhill Rd. and Loop 288 (CSJ No. 0196-01-106), between the City of Denton and the Texas Department of Transportation (TxDOT), for the relocation and betterment of a City water line along the I-35E right-of-way near Brinker Rd.; authorizing the City Manager to execute the agreements and related documents; and providing for an effective date.

Attachments: [Exhibit 1- Standard Utility Agreement](#)
 [Exhibit 2- Advance Funding Agreement](#)
 [Exhibit 3- UA Ordinance](#)

- J. [ID 16-1185](#) Consider adoption of an ordinance approving a Metropolitan Mobility Agreement for State-Contracted Traffic Signal Construction between the City of Denton and the Texas Department of Transportation (TxDOT), concerning the City providing certain traffic signal equipment with reimbursement by TxDOT for IH 35E grade separation improvements at Loop 288 (CSJ No. 0196-01-106); authorizing the City Manager to execute the agreement; and providing for an effective date.

Attachments: [Exhibit 1- Metropolitan Mobility Agreement](#)
 [Exhibit 2- Mobility Ordinance](#)

2. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. [ID 16-1031](#) Consider adoption of an ordinance of the City Council of the City of Denton, a Texas home-rule municipal corporation, providing for, authorizing, and approving the execution by the City Manager, or his designee, of an Equipment Supply and Services Contract for the purchase of twelve (12) reciprocating internal combustion engines and related technical services between the City of Denton and Wärtsilä North America, Inc., a Maryland corporation; approving the execution of such other and further related documents deemed necessary to effectuate this transaction by the City Manager, or his designee, which are incident or related thereto; confirming and ratifying that the City of Denton, its City Manager, and its City Attorney shall be authorized and empowered to perform such acts and obligations as are reasonably required to consummate this transaction; ratifying all prior actions taken by the City Council, City Manager and City Attorney, or their designees, in furtherance of the foregoing transaction; and determining that specific information in the said documents involved in this transaction pertain to a “competitive electric matter” as set forth under the provisions of §§551.086 and 552.133 of the Texas Government Code, as amended; adopting significant recitations, findings and conclusions, as are set forth in the preamble of this ordinance; that the purchase of power generating equipment and services made by the City under the terms of this Equipment Supply and Services Contract are in the public welfare; authorizing the expenditure of funds therefore; providing an effective date.

Attachments: [Exhibit 1-Ordinance](#)
 [Exhibit 2-Redacted Wartsila Contract 09082016 FINAL](#)

- B. [ID 16-1032](#) Consider adoption of an ordinance of the City Council of the City of Denton, a

Texas home-rule municipal corporation, providing for, authorizing, and approving the execution by the City Manager, or his designee, of an engineering, procurement and construction agreement for the construction of an electric power generation facility between the City of Denton and Burns and McDonnell Engineering Company, Inc. a Missouri corporation,; approving the execution of such other and further related documents deemed necessary to effectuate this transaction by the City Manager or his designee, which are incident or related thereto; confirming and ratifying that the City of Denton, its City Manager, and its City Attorney shall be authorized and empowered to perform such acts and obligations as are reasonably required to consummate this transaction; ratifying all prior actions taken by the City Council, City Manager, and City Attorney, or their designees, in furtherance of the foregoing transaction; and determining that the said documents involved in this transaction pertain to a “competitive electric matter” as set forth under the provisions of §§551.086 and 552.133 of the Texas Government Code, as amended; adopting significant recitations, findings and conclusions, as are set forth in the preamble of this ordinance; that the construction of the electric power generation plant by the City under the terms of this engineering, procurement and construction agreement are in the public welfare; authorizing the expenditure of funds therefore; providing an effective date.

Attachments: [Exhibit 1-Ordinance](#)
 [Exhibit 2-Contract](#)

- C. [ID 16-1114](#) Consider approval of a resolution of the City Council of the City of Denton, a Texas Home Rule Municipal Corporation, electing for the City to have the right to continued performance of services provided by the Texas Municipal Power Agency, a municipal power agency, under the provision of the power sales contract, as amended, for the useful life of the system; direction to the interim City Manager, or his designee, to provide written notice of this election to TMPA; and, providing an effective date.

Attachments: [TMPA Election to Remain Resolution - FINAL](#)
 [TMPA Opt-In Resolution - Signed](#)

- D. [ID 16-1213](#) Consider adoption of an ordinance of the City of Denton, Texas amending the Fiscal Year 2015-2016 Budget and Annual Program of Services of the City of Denton to allow for adjustments to the Electric Fund of twenty three million (\$23,000,000) for the purpose of making initial payments for construction of a quick start electric generation facility; declaring a municipal purpose; providing a severability clause, an open meetings clause and effective date.

Attachments: [Exhibit 1 - Ordinance](#)

3. PUBLIC HEARINGS

- A. [ID 16-1068](#) Hold a second public hearing on a proposal to adopt a tax rate of \$0.684750 with a maximum allowable rate of \$0.689750 per \$100 valuation, which will exceed the lower of the effective or rollback tax rate.

Attachments: [Exhibit 1 - Notice of Proposed Tax Rate 2016](#)
 [Exhibit 2 - Presentation](#)

- B. [ID 16-1069](#) Hold a public hearing and receive citizen input on the FY 2016-17 Proposed Budget.

Attachments: [Exhibit 1 - Notice of Proposed Budget 2016](#)

4. 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.

B. Possible Continuation of Closed Meeting topics, above posted.

C E R T I F I C A T E

I certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of Denton, Texas, on the _____ day of _____, 2016 at _____ o'clock (a.m.) (p.m.)

CITY SECRETARY

NOTE: THE CITY OF DENTON CITY COUNCIL WORK SESSION ROOM AND COUNCIL CHAMBERS ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT A SIGN LANGUAGE INTERPRETER CAN BE SCHEDULED THROUGH THE CITY SECRETARY'S OFFICE.