

CITY OF DENTON CITY COUNCIL MINUTES

September 13, 2016

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, September 13, 2016 at 1:00 p.m. in the Council Work Session Room at City Hall.

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

ABSENT: None.

1. Citizen Comments on Consent Agenda Items

Mayor Watts read Request to Speak card from Ken Gold requesting that Council pull Consent Agenda Item F for separate consideration.

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

Council Member Bagheri requested to consider Work Session Item C first.

Council Member Wazny stated that there were people in the audience for Work Session A and would like keep the agenda items as presented.

Consensus of the Council was keep to the original schedule.

Council Member Briggs requested that Consent Agenda Item F and Individual Consideration Items A and B, items regarding the Denton Energy Center, be removed from the agenda. After reviewing staff emails over the weekend she felt no further action should be taken on the items until there was an independent audit or an internal Council ethics review of the selection of the consultant. Specific attention should look at circumstances with prior relationships with the consultant.

Council Member Gregory felt that it would be appropriate to deal with these items during the regular session as Council would have the ability to table or postpone, deny or approve in that session.

Interim City Manager Martin noted that Item D in the Close Session would not be considered.

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).

Chuck Springer, Director of Finance, presented information on the item and stated the staff was seeking direction from the Council. He presented tax year 2016 exemptions noting that approximately 65.7% of single family residences received the homestead exemption. Information on homestead exemptions including the number of properties that qualified for over 65 exemptions, number of properties qualified for the disabled exemption, and history of the over 65 exemption amounts were reviewed. He included information on the deferral option for payment of taxes. Council discussed the procedures used in the deferral process.

Springer continued with the over 65 and disabled person tax limitation procedures should the Council not take action and it went to a petition. Information on tax limitation estimated impact was presented along with the City of Lewisville's tax freeze history. He also presented information on the average value of properties receiving the over 65 exemption.

Council discussed information on appraisal protests; types of debt pledged with property taxes; implication of tax freeze on debt ratings; whether people who were not eligible for a tax freeze would carry more of the tax debt; the permanent nature of the tax freeze; the possibility of raising the tax exemption for over 65; and whether the request was to keep the tax exemption and include the tax freeze. They also considered keeping the current exemption with the freeze and had a discussion on increasing the exemption with the freeze. Spending had to be cut as well as a tax cut.

Council Member Hawkins felt that the issue should go to an election. The tax burden would be put on individuals who could not take advantage of the freeze. There were others who struggled with property taxes who would not receive the benefit of the freeze.

Council Member Wazny stated this was an attempt to keep seniors in their homes due to the increase in property taxes. It was important now because of the economy boom in north Texas and she asked Council to pass the tax freeze.

Mayor Pro Tem Roden questioned if it was possible to set categories for the freeze.

City Attorney Burgess stated that it had to be all or nothing in terms of the freeze.

Council Member Gregory stated that the City could not continue to provide all the services it wanted to if the revenue streams decreased and the expectation of services increased. He was in favor of the proposal going to an election for all to decide.

Council Member Briggs questioned exploring a sale tax relief program.

Springer stated that it was not possible to differentiate a different sales tax rate for different groups of people.

Council Member Briggs stated that she was in favor of increasing the exemption amount and in favor of the issue going to a vote.

Mayor Watts felt the exemption was the way to go and would be in favor of increasing the disabled exemption to the same level as the over 65 exemptions. His preference was to have the issue go to an election.

Mayor Watts stated that it appeared that the consensus of the Council was to not give direction to move forward with a tax freeze but provide an opportunity for the community to fulfill the petition requirements and take the issue to the voters.

Mayor Pro Tem Roden felt that the disabled exemption should be increased. He suggested continuing discussion to look at all options available.

Mayor Watts stated that additional questions were if the freeze were approved by voters whether the exemptions and any increases would be added with the tax freeze.

- 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.

Rodney Patterson, Building Official, presented an update on the Energy Conservation Code with key points of the proposed amendment presented. Staff was seeking direction on whether to include the proposed amendments already provided.

Council discussion included possibly including a voluntary provision for solar ready homes and reasoning for a voluntary provision for solar ready homes.

Consensus was to proceed with the additional amendment to be included with other amendments previously approved.

- 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.

Melissa Kraft, Chief Technology Officer, presented information on the Open Data Portal which included an overview of open data, open data usage, platform comparisons, performance management and budget dashboard.

Chuck Springer, Director of Finance, presented a summary of the budget so far and proposed cuts to allow for the additional half cent tax cut. The General Fund had two changes to increase Parks to \$77,000 from the proposal of \$35,000 and include \$60,000 one-time funding for a historical preservation grant. He noted that recurring expenses were cut rather than one-time expenditures.

Council Member Hawkins asked about the Downtown sidewalk funding.

Springer stated that some of the funding was from the Traffic Safety fund with the rest from the General Fund current fiscal year. The budget recommended flexibility in funding with a decision to be made at a later date depending on the TIRZ Board decision for funding.

Council Member Bagheri presented her view of cuts. Council discussed the proposal presented by Council Member Bagheri and her reasoning for her proposed cuts.

Council discussed their preferences on which items to reduce/cut in the budget in order to get either to a 3/4 cent or whole cent tax reduction. Suggested cuts included the plans examiner position, the pavement marking system, \$100,000 from training and travel and \$6500 from the Council contingency fund. Council discussed their preferences regarding possible budget cuts and a proposed tax rate.

Consensus of the Council was to proceed with a 3/4 cent tax reduction.

Following the completion of the Work Session, the City Council convened in a Closed Meeting to consider the specific items listed below under the Closed Meeting section of this agenda.

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]

This item was not considered.

- 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.

Special Called Meeting of the City of Denton City Council at 6:30 p.m. in the Council Chambers at City Hall.

1. CONSENT AGENDA

Council Member Hawkins motioned, Council Member Gregory seconded to approve the Consent Agenda and accompanying ordinances and resolutions with the exception of Item F to be considered individually and with the replacement ordinance for Item G. On roll call vote, Mayor Pro Tem Roden "aye", Council Member Wazny "aye", Council Member Briggs "aye", Council Member Hawkins "aye", Council Member Gregory "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2016-252

- 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).

Ordinance No. 2016-253

- 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).

Ordinance No. 2015-254

- 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]

Ordinance No. 2016-255

- 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).

Resolution No. R2016-030

- 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.

Ordinance No. 2016-256

- 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.

Ordinance No. 2016-257

- 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.

Ordinance No. 2016-258

- 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.

Ordinance No. 2016-259

- 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.

Item F was considered.

- 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.

Galen Gillum, Executive Manager of Administrative Services, presented information on the ordinance in terms of sales price for the airport runway, etc. He reviewed details on the land acquisition update and displayed a map on the different parcels of the property. The cost distribution details for the property which showed the parcel type, acreage, square feet cost per square feet and total cost were presented.

Council Member Briggs motioned to table the item until such time that an independent audit and internal Council review could be performed on the consultant contract and staff relationship.

Mayor Pro Tem Roden questioned if the consultant had been involved in the determination of the land.

Council Member Briggs stated that she wanted anything dealing with the plan to be tabled.

Council Member Gregory questioned if the motion was to table the item to the next meeting.

City Attorney Burgess stated that the motion could be to postpone to an event certain or to the next meeting.

Council Member Briggs stated that she would like to change her motion to postpone to an event certain.

Mayor Pro Tem Roden requested more information on the reason to postpone and what questions Council Member Briggs had. He questioned if this was a stall tactic because she did not like the project.

Council Member Briggs read a statement indicating that she felt it would be in the best interest of the Council and rate payers that no further action take place until an internal audit and internal Council review on the selection of the consultant and prior relationships with the staff and the consultant. She felt her concerns were valid based on the communications she was given access to when she was questioning the nature of the \$45,000 overage of the original contract. This was not a stall tactic.

Mayor Pro Tem Roden questioned that Council Member Briggs was requesting a third party investigation of the third party consultant that the Council unanimously agreed to hire.

Council Member Briggs felt that the Ethics Committee should review the issue.

Mayor Pro Tem Roden asked if the Ethics Committee had the authority to do such an investigation.

City Attorney Burgess stated that it did not have the authority in the past but she needed to look at the current provisions and scope of charge.

Council Member Gregory questioned who would do an investigation and how did that pertain to the property purchase.

Council Member Briggs stated that she came across communications which caused her concern and did not feel were proper.

Council Member Gregory questioned how long Council Member Briggs wanted to postpone the item.

Council Member Briggs stated that she just wanted to discuss with Council before continuing with the project.

Mayor Watts indicated that he saw the same correspondence as Council Member Briggs. He noted that the motion was for an investigation by an internal audit rather than looking at the communication she had. If it was a formal investigation and the empaneling of a committee, he would not be in favor based on what he had read. He would be in favor of more discussion of the communications.

Council Member Wazny requested that Legal provide all council member with the documents that Council Member Briggs and the Mayor had seen and read. The item could be postponed to a date certain of the Work Session on September 20th to discuss what was there. An action item could also be on the agenda so Council could proceed if desired.

Mayor Watts stated that the motion was for an internal investigation on the procurement process and have the Ethics Commission look at the issue.

Council Member Briggs stated that her motion was to postpone for an independent audit or until an internal Council review was conducted. She would consider this an internal Council review to postpone until September 20th meeting.

Mayor Watts restated that the motion was to postpone to a date certain of September 20th for an internal investigation or Council review.

Council Member Bagheri seconded the motion and questioned if the vote to postpone was approved, the Council would not discuss it again until September 20th.

City Attorney Burgess stated that the item would be posted on the September 20th agenda.

Mayor Pro Tem Roden expressed concern that Council was considering this motion based on mysterious emails that someone had. He questioned how long Council Member Briggs had these emails and was there not an opportunity to present them to Council before now.

Council Member Briggs stated that there was not an opportunity to present them to the full Council before now.

Mayor Pro Tem Roden questioned if there was not an opportunity to present them to Council legally through the City Manager or the City Attorney before now.

Council Member Briggs stated that there was a lot of material to go through which took her some time but that she had the information for a couple of weeks.

Mayor Pro Tem Roden stated that this item had been listed on the agenda and Council knew it was coming. He could not consider this anything other than a stall on the process. He was fine with discussing it but felt it was not the appropriate way to handle it.

Council Member Hawkins stated that he had received an email Sunday from Council Member Briggs that noted her concerns, many of which had already been brought up when Council voted on the contracts. He did not agree with Council Member Briggs and felt it was a stall tactic.

Council Member Briggs read a statement outlining her concerns.

Council Member Gregory stated that he would not oppose waiting a week but did not want a long delay as that was not in the best interest of city. He needed to see the statements in context and felt that some concerns were already presented before the hiring of the consultant. Meeting with a consultant was pretty much a regular occurrence. He asked Council Member Briggs to point out items she was most concerned with.

Council Member Bagheri stated that she had also reviewed a lot of the documents and was interested in why the first draft had no mention of a QSE and why it was added in later drafts. Her interest was why and how it was added to the document.

Mayor Pro Tem Roden stated that Council Member Bagheri had access to the mysterious emails as well as the Mayor and Council Member Briggs. He questioned again why this was not presented to the rest of the Council before the action item when Council was ready to vote on the item and why this could not have been shared earlier.

Council Member Bagheri stated that there was no way to look at all the documents in two days and that she had been looking for something very specific. She had a concern tabling for a week as it would not provide enough time to review everything.

Mayor Watts stated that he looked at the documents on Friday at the invitation of Council Member Briggs. He perused through looking at the information highlighted by Council Member Briggs. He questioned Council Member Briggs that since she had the information for several weeks, had she reached out to staff to the context of the emails that concerned her.

Council Member Briggs stated no and that in the past two to three weeks there were other unethical issues brought out that she had to focus on.

Mayor Watts asked the City Attorney to review the motion.

City Attorney Burgess stated that the motion was to postpone this item to the September 20th Council meeting in order to provide Council an opportunity to audit and look at the issues.

On roll call vote, Council Member Wazny "aye", Council Member Briggs "aye", Council Member Gregory "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Mayor Pro Tem Roden "nay", and Council Member Hawkins "nay". Motion carried with a 5-2 vote.

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.

Council Member Briggs motioned to postpone the item until the September 20th Council meeting.

Mayor Watts noted that Speaker Cards had been submitted for the item but due to the motion to postpone, the speakers could only address that motion.

The following individuals submitted Speaker Cards:

Michael Hennen - in favor to postpone.

Ed Soph - in favor to postpone

Willie Hudspeth – did not speak to the motion but rather told the Mayor that he could not tell citizens they couldn't speak on an item.

David Zoltner - in favor to postpone.

Council Member Briggs motioned, Council Member Bagheri seconded to postpone the item to the September 20th City Council meeting. On roll call vote, Council Member Wazny "aye", Council Member Briggs "aye", Council Member Gregory "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Mayor Pro Tem Roden "nay", and Council Member Hawkins "nay". Motion carried with a 5-2 vote.

- 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.

Council Member Briggs motioned to postpone the item to the September 20th Council meeting.

The following individuals submitted Speaker Cards:

Michael Hennen – in favor of the postponement

Willie Hudspeth – did not speak to the motion but told the Mayor he could not tell citizens they could not speak on an agenda item.

Council Member Briggs motioned, Council Member Bagheri seconded to postpone the item to the September 20th Council meeting. On roll call vote, Council Member Wazny "aye", Council Member Briggs "aye", Council Member Gregory "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Mayor Pro Tem Roden "nay", and Council Member Hawkins "nay". Motion carried with a 5-2 vote.

Resolution No. R2016-031

- 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.

Phil Williams, General Manager - DME, provided an update on the proposed resolution and reviewed an update on the background of TMPA. He detailed the joint operating agreement and the TMPA future. Staff recommended Council approve the resolution.

Willie Hudspeth submitted a Speaker Card and spoke in opposition.

Mayor Pro Tem Roden motioned, Council Member Gregory seconded to approve the resolution. On roll call vote, Mayor Pro Tem Roden "aye", Council Member Wazny "aye", Council Member Briggs "aye", Council Member Hawkins "aye", Council Member Gregory "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

- 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.

Interim City Manager Martin stated that this item was associated with the funding for the Renewable Denton Plan.

Chuck Springer, Director of Finance, stated that the ordinance was related to timing to amend the current budget so funds could be paid out of the operating fund this year and be reimbursed when the bonds were issued.

Mayor Pro Tem Roden asked about using this year's funding.

Springer stated that if the ordinance was not approved in this budget year, it would not be necessary in the next fiscal year.

The following individuals submitted Speaker Cards:

Willie Hudspeth – opposed
Michael Hennen – not do at this time
Deborah Armintor – opposed

Mayor Watts stated that the \$23 million involved a timing issue as a down payment for the RICE engines. He questioned if it did not happen now, would it come out of the revenue bond proceeds.

Springer stated that it would either come directly from the revenue bonds from the next fiscal year or reimbursed if taken out now.

Council Member Wazny stated that as everything else dealing with the RDP was being postponed until September 20th, she felt this item should also be postponed. She motioned to postpone the item to September 20th.

Mayor Pro Tem Roden stated that there would be a cost per day to delay a decision.

Williams stated that if the units could be on line for the summer of 2018, it would save \$7 million during the summer. Postponing it would affect when the units would be most cost effective.

Council Member Wazny motioned, Council Member Briggs seconded to postpone the item to the September 20th council meeting. On roll call vote, Council Member Wazny "aye", Council Member Briggs "aye", Council Member Bagheri "aye", and Mayor Watts "aye". Mayor Pro Tem Roden "nay", Council Member Hawkins "nay", and Council Member Gregory "nay". Motion carried with a 4-3 vote.

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.

Chuck Springer, Director of Finance, presented information on the proposed tax rate and property values including a listing of budgetary priorities. He displayed General Fund expenditures by

category and the General Fund proposed budget. The tax rate and budget adoption was scheduled for September 20th.

The Mayor opened the public hearing.

David Zoltner – spoke in opposition

The Mayor closed the public hearing.

No action was required on this item at this time.

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

The Mayor opened the public hearing.

Chuck Springer, Director of Finance, presented information on the tax rate and property values.

The following individuals spoke during the public hearing:

Willie Hudspeth – made various comments on the budget
Deborah Armintor - made comments regarding her thoughts on the budget.

The Mayor closed public hearing.

No action was required on this item.

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

Mayor Watts requested a Work Session regarding severance agreements for at-will employees.

Council Member Hawkins asked for the next steps for the Good Samaritan Internet.

Council Member Bagheri stated that she had requested information on an on-line Council message board. It had been referred to the Committee on Citizen Engagement but no meeting was scheduled. She was again asking for that information.

Council Member Bagheri asked for information on use it or lose it provisions for employee's sick and vacation and a discussion on that type of policy.

Council Member Wazny requested an update on the new City website design.

Mayor Watts asked for information on bus passes to the different recreation centers for individuals to be able to take showers when in need. Specifically which recreation centers were involved and the bus routes for those centers.

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

There was no continuation of the Closed Meeting.

With no further business, the meeting was adjourned at 8:17 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS