

CITY OF DENTON CITY COUNCIL MINUTES

August 3, 2017

After determining that a quorum was present, the City Council convened in a Work Session on Thursday, August 3, 2017 at 8:30 a.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Hudspeth, Council Member Briggs, Council Member Duff, Council Member Ryan, Council Member Gregory, Mayor Pro Tem Bagheri, and Mayor Watts.

ABSENT: None.

1. Work Session Reports

- A. ID 17-954 Receive a report; hold a discussion, and give staff direction regarding the FY 2017-18 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

Chuck Springer, Director of Finance, provided the Council with the budget update. He reviewed the budgetary priorities, cost containment reductions in the General Fund and other funds; assumptions for the General Fund; and Vacancy Management/Salary Savings. He continued with compensation and benefits; property values and tax rate; and appraised values. Sales tax information and a chart with General Fund revenues and expenditures were noted. Springer presented the General Fund expenditures by category, by function, and five year assumptions for the General Fund. Proposed supplemental packages that were included in the proposed budget were presented.

Council discussed the various items listed for further clarification of the programs. Funding options in terms of an additional one cent on the tax rate were discussed.

Springer reviewed results of an all-city funds review in terms of what was reviewed and recommendations. Supplemental packages funded in the current fiscal year were noted.

Council discussed various funding aspects of the packages and the details of the packages.

Springer presented information on the Park Development and Dedication funds, the Street Improvement fund, and the Traffic Safety fund.

Council did not object to staff's recommendation to begin looking at expanding the Park Development and Dedication fund to expand the type of park development and purchases to include community parks and trails and to also recommend expanding distance requirement for these additional types of facilities.

Springer next presented information on the two Tax Increment Reinvestment Zones and the Downtown Reinvestment Fund.

Council discussed the funding of the Downtown Reinvestment Fund and various scenarios of funding or not funding it. Consensus of Council was to amend the current ordinance prior to August 30, 2017 to change the current year's transfer.

Springer continued with the Tree Mitigation Fund and Special Revenue Funds, Special Revenue Fund Supplemental Packages noting an Internal Service Funds Flow Chart and associated funding charges. Additional types of transfers were presented as well as Internal Service Funds

Supplemental Packages. Springer noted the Utility Fund operating expenditures and the monthly rate impact on an average residential customer. He presented the FY 2017-18 Capital Program, the proposed position additions; and the next steps in the process.

Springer displayed a total net city budget chart which backed out the transfers which were normally seen in the budget; a breakdown of the Economic Development funding for the Chamber of Commerce and Parks Foundation FY 2016-17 funding.

Council Member Gregory questioned the supplemental packages for the pavement marking system and early warning sirens that were not approved in the proposed budget.

Council Member Ryan stated that he also had questions/concerns regarding the pavement marking system. He questioned the North Lakes dock replacement.

Mayor Pro Tem Bagheri questioned if the dock could be funded out of the Park Development fund as well as the trail fitness equipment.

Council Member Duff requested a presentation on why the police supplemental packages were not funded.

Deputy Chief Scott Fletcher presented the rationale on why those positions were no longer needed.

Council Member Ryan asked about the security features for the explosive magazine/security item.

Robin Paulsgrove, Fire Chief, presented details on the proposed package.

Council Member Briggs asked about the updating of Wi-Fi in the downtown area.

Springer noted that the TIF Board was considering that funding.

Consensus of Council was to include the explosive magazine /security item in the budget.

Mayor Pro Tem Bagheri questioned if the funds equivalent to the grant funding would go back into the General Fund reserve funding.

Springer stated that it would roll into the General Fund balance.

Mayor Pro Tem Bagheri questioned if the tax rate could be reduced with that money.

Springer replied correct.

Council Member Gregory stated he would like to include the early warning signals in the budget.

Mayor Watts noted that these would be talking points for the next discussion and would focus in on those areas to be included.

Mayor Pro Tem Bagheri asked for information on a tax rate reduction versus an increase in the homestead exemption in terms of a five year projection.

Council Member Ryan questioned various line items in various departmental budgets.

Following the completion of the Closed Meeting, the City Council convened in a Special Called Meeting.

1. ITEMS FOR INDIVIDUAL CONSIDERATION

Resolution No. R2017-028

- A. ID 17-909 Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 19, 2017, City Council public meeting agenda to adopt a 2017 Tax Rate that will exceed the lower of the rollback rate or the effective tax rate; calling two public hearings on a tax increase to be held on August 15, 2017, and September 12, 2017 and calling a budget public hearing on the Fiscal Year 2017-2018 Annual Program of Services of the City of Denton to be held on September 12, 2017; requiring publication of notices of the public hearings in accordance with the law; requiring the posting of the notices of the public hearings on the City's Internet website; requiring the posting of the notices on the City's public access channel; and providing an effective date.

Chuck Springer, Director of Finance, indicated that State law required the City to put out a maximum tax rate that could be considered and call public hearings on the tax rate. A general public hearing was also required on the budget. This item set all of those public hearings in motion.

Council Member Ryan motioned, Council Member Gregory seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

2. 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.

Council Member Briggs requested a map of the coverage of the City's warning sirens.

Council Member Briggs requested a review of the DME fee ordinance.

Council Member Briggs requested information on the results of ADA study approved last year.

Council Member Hudspeth requested information about public restrooms in the downtown area.

Council Member Hudspeth requested information on security patrols in the downtown area.

Following the completion of the Work Session, the City Council was scheduled to convene in a Closed Meeting to consider the item listed below under the Closed Meeting section of this agenda.

1. Closed Meeting

A. ID 17-969 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 2017-2018 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2017-2018, expected revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

This item was not considered.

Council returned to Work Session Item A.

Council Member Gregory left the meeting.

Caroline Booth, Director of Economic Development, presented information on the line item budget for Stoke Revenue and Expenditures.

Council discussed the funding of a position, the distribution of the membership fees; the net income loss; information on what the DEC was paying for and what the City was paying for; and budget information for just the Stoke.

With no further business, the meeting was adjourned at 11:55 a.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS