

CITY OF DENTON CITY COUNCIL MINUTES

April 1, 2019

After determining that a quorum was present, the City Council convened in a Work Session on Monday, April 1, 2019, at 11:30 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Chris Watts, Mayor Pro-Tem John Ryan, and Council Members Gerard Hudspeth, Keely Briggs, Don Duff, Deb Armintor, and Paul Meltzer

ABSENT: None

Also present were City Manager Todd Hileman and City Attorney Aaron Leal.

WORK SESSION

1. Work Session Reports

- A. ID 19-586 Receive a report, hold a discussion, and give staff direction regarding the General Fund FY 2018-19 Revised Budget, Preliminary FY 2019-20 Proposed Budget, and Five Year Financial Forecast.

The item was introduced by covering the FY 2017-18 budget for the general, water, electric, and solid waste funds, including the tax rate, followed by the current status in those areas for the FY 2018-19 budget. Plans are to recalibrate the budget, maintain O&M in current rates, level of services and maintain competitive compensation plan for employees to enhance employee retention.

The presentation centered on (1) property tax rate history; (2) sales tax history; (3) financial assumptions, covering the areas of (a) assessed value; (b) property tax rate, (c) sales tax; and (d) forecasted expenditures; (e) balancing strategies which included (i) one-time and (ii) recurring; (4) preliminary financial forecast; and (5) budget calendar.

Tax rate continues to decrease, with an almost \$0.07 decrease in the last 3 years. Staff was asked that next year, the tax rate history show assessed values. City needs to be at 8% sales tax revenue to meet current needs. Staff feels comfortable with 6 months left in current year and that the goal will be met.

Councilmember Hudspeth arrived at the meeting at 11:41 a.m.

The Preliminary Financial Forecast for FY Budgets 2018-19 through 2023-24 were also presented. The budget calendar that delineates the 2019 timeline for applicable presentations, reviews, workshops and public hearings on both the budget and tax rate were outlined, including anticipated issues to be discussed at specific meetings.

The meeting was recessed for a short break at 12:41 p.m. and reconvened at 12:52 p.m.

- B. ID 19-449 Receive a report, hold a discussion, and provide staff direction regarding future capital needs within the City being proposed by staff for a possible bond program and election for November 2019.

The presentation centered on (1) review status of 2005, 2012 and 2014 bond programs which included propositions adopted and projects completed under each of the noted bond programs; (2) present current needs/proposed projects for (a) public safety facilities and (b) roadways and infrastructure; (3) review financial impacts; (4) proposed 2019 bond propositions, bond committee, and tentative bond election timeline; and (5) next steps to address areas of any bond election in 2019. Overview of projects completed with the 2005 bond program, 2012 street reconstruction and public art, and completed projects were also detailed.

Public safety facility needs were discussed, applicable to (1) Police: (a) renovation and expansion of police facilities at City Hall East, (b) build new Police substation on Vintage Parkway, and (c) build a new 15-lane, 50-yard indoor gun range to replace the existing indoor range; and (2) fire: (a) building a new fire station (No. 8) at intersection of Colorado and Brinker Road. Project cost breakdowns also noted in the areas of (1) design, (2) acquisition, (3) construction, (4) contingency, and (5) equipment. As discussions on the design of the fire station started, Councilmember Briggs excused herself from discussions.

General discussion was held on the proposed gun range project. Future discussions will center on the cost estimate which should be more concise to an actual range, indoor vs outdoor, connectivity to police station or not, possibly move to a remote area, and look at other cost-share partnerships with other agencies.

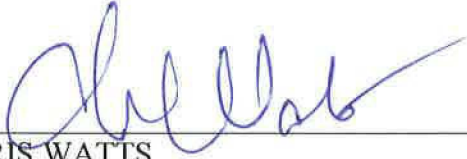
The presentation on the future bond program provided detail on the proposed road projects that would address existing transportation infrastructure deficiencies (capacity, congestion, safety), future capacity needs based on projected growth, and funding of future phases of ongoing projects. Project cost information was covered to include total project cost and the city cost (portion to be bond funded). Staff continues to look at additional funding opportunities.

The tentative bond election timeline was detailed. Election must be called between August 7 and August 19. Election date is Tuesday, November 5, 2019. The creation of a bond committee was discussed, with the option selected to be that the committee be comprised of the existing five (5) members serving on the Bond Oversight Committee and 14 additional members (2 appointments by each City Council member). Staff recommended road projects be presented to the bond committee who will then review and make recommendations to City Council.

Staff was asked to provide a report on what approved public art bond projects have been implemented and what has been spent via the Public Art Committee on projects funded as part of the 2012 and 2014 bond programs.

Tax rate history and projection were reviewed. Bond program options were presented (hold bond election in November 2019 or wait until 2020; however, waiting increases costs overall in several areas). Staff to return on April 16th to obtain direction and additional feedback from City Council.

With no further business, the meeting was adjourned at 2:42 p.m.



CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS



ROSA RIOS
CITY SECRETARY
CITY OF DENTON, TEXAS

MINUTES APPROVED ON:

5/7/2019