



**City of Denton
MINUTES
PUBLIC UTILITIES BOARD**

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

Monday, June 10, 2019

9:00 am

Work Session Room

After determining that a quorum of the Public Utilities Board of the City of Denton, Texas is present, the Chair of the Public Utilities Board will thereafter convene into an open meeting on Monday, June 10, 2019 at 9:00 a.m. in the Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas

Board Members: Chair Susan Parker, Vice Chair Brendan Carroll, Charles Jackson, Billy Cheek, Lilia Bynum and Allen Bishop

Absent: Karen DeVinney

Ex Officio Member: Mario Canizares, ACM

WORK SESSION

A. PUB19-106 – Receive a report and hold a discussion regarding the fee charged to commercial accounts when utilizing the online and phone payment channel.

Tiffany Thomson introduced Christa Foster and stated there is a changed needed in the Merchant Services Contract, specifically how fees are charged for commercial customers. This has already been to Council for their recommendations.

Christa Foster then started the presentation explaining the item is in regards to regulation changes made to fees for commercial customers.

The background included information regarding the fact that all customers paid the flat \$4.95 fee prior to 2011. In June 2011, the fee was eliminated. In FY 2013-2014 fees began tracking to \$700,000 annually. In December 2014 it was decided that a 2.7 percent convenience fee for commercial cards would be added.

Currently there is no fee for residential customers that use credit cards or echecks. There is no fee for commercial customers that use echeck. The 2.7 percent fee covers all customer costs. About 99 percent of commercial transactions are small businesses.

The contract extension expires in May 2020.

The fees that were adopted were implemented because the City of Denton was viewed as a general government entity. Going forward that will not be the case, the credit card regulations have changed.

Fee Regulations for Utilities (Texas) - Texas Law only allows convenience fees on Utility Payments. Fees must be flat or fixed amounts regardless of payment due. This applies to all on-line, telephone credit card and Echeck payments. No recurring credit card or Echeck payments allowed.

There are specific fee limitations – No percentage of payment fees, tiered feed, and no maximum payment limits.

Option 1 - Absorb all credit card and Echeck fees

Pros

- Recurring Payments Available to All Customers
- Benefits All Businesses
- Functions with Existing Web Portal
- Minimal Implementation Time
- Consistent with Area Municipalities

Cons

- \$800K Annual Cost Increase
- Return to Old Payment Behaviors

Option 2 - Flat commercial credit card and echeck fees

Pros

- No Impact to residential customers

Cons

- Damages Customer Service Relationship
- Requires New Commercial Website & Re-registration
- Loss of 1,100 Monthly Recurring Payments
- 99 percent of Impacted Customers are Small Business
- Primarily Benefits Large Businesses
- Longest Implementation Time
- \$520K Annual Cost Increase
- Return to Old Payment Behaviors

Option 3 - Flat credit card and Echeck Fees – All customers

Pros

- \$17K Annual Cost Increase
- Functions with Existing Web Portal

Cons

- Damages Customer Service Relationship
- Loss of 8,600 Monthly Recurring Payments
- 90 percent of Customers Impacted are Residential
- Primarily Benefits Large Businesses
- Return to Old Payment Behaviors

Option 4 - No commercial credit card payments

Pros

- Recurring Payments Available to All Customers
- Functions with Existing Web Portal
- Minimal Implementation Time
- Stabilizes Credit Card Costs
- \$10K Annual Cost Increase

Cons

- Damages Customer Service Relationship

- 90 percent of Impacted Customers are Small Business
- Disadvantages Small Business Customers
- Inconsistent with Area Municipalities

Recommendation and Direction

On June 4, City Council provided support and direction for Customer Service to no longer charge a fee for any credit card payment.

There was a few questions by the Board and some discussion.

The Board agrees with Council's recommendation.

REGULAR MEETING

1. CONSENT AGENDA

- A. **PUB19-097** - Consider recommending adoption of an Ordinance of the City of Denton authorizing the City Manager, or designee, to execute a confidentiality and non-disclosure agreement between the City and Allegro Development Corporation; providing for a severability clause; and providing for an effective date.
- B. **PUB19-098** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a third amendment to a Professional Services Agreement between the City of Denton and Deloitte & Touche, LLP, amending the contract approved by Purchasing on May 25, 2017, in the not-to-exceed amount of \$26,000, amended by Amendments 1 and 2 approved by the City Manager and City Council, said third amendment to provide professional services related to the assessment of the Energy Management Organization for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (File 6469 - providing for an additional third amendment expenditure amount not-to-exceed \$192,500, with the total contract amount not-to-exceed \$423,500).
- C. **PUB19-099** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Clevest Solutions, Inc., for the purchase of vendor support of the Denton Municipal Electric mobile workforce management software and professional services; which is the sole provider of this software in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding and if over \$50,000 shall be awarded by the governing body; and providing an effective date (File 7056 - awarded to Clevest Solutions, Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$288,840.03).
- D. **PUB19-100** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with PerkinElmer Health Sciences, Inc., for the supply of Inductively Coupled Plasma - Mass Spectrometer Instrument, System Controller and Software; providing for the expenditure of funds therefor; and providing an effective date (RFP 7036-awarded to PerkinElmer Health Sciences, Inc., in the five (5) year not-to-exceed amount of \$149,118).
- E. **PUB19-101** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Delta Fuel Company, LLC, for the supply of Denton Energy Center Lubricating Oil; providing for the

expenditure of funds therefor; and providing an effective date (IFB 7064 - awarded to Delta Fuel Company, LLC, in the three (3) year not-to-exceed amount of \$1,182,600).

- F. **PUB19-102** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager, or his designee, to execute a contract with Dallas Lite & Barricade, Inc., through an Interlocal Cooperative Purchasing Agreement with the City of Arlington, Bid Number 18-0096, under the Government Code, Chapter 791.001, to authorize City of Denton contracts for the acquisition of barricades to be used throughout the City by various departments; authorizing the expenditure of funds therefor; and declaring an effective date (File 7078 - awarded to Dallas Lite & Barricade, Inc., for one (1) year, with the option for two (2) additional one (1) year extensions, in the total (3) year not-to-exceed amount of \$300,000).

This item was pulled by Board Member Cheek. His question was why is this item coming through this Board. Mario Canizares answered utilities uses these barricades and it is easier to go through the utilities budget.

- G. **PUB19-103** - Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Gershman, Brickner & Bratton, Inc., amending the contract approved by Purchasing Staff on December 20, 2018, in the not-to-exceed amount of \$48,000; said first amendment to provide the design, evaluation, and procurement of an inventory management and customer work order management system for Solid Waste and Recycling Departments in the amount of \$38,000; providing for the expenditure of funds therefor; and providing an effective date (File 6963 - providing for an additional first amendment expenditure amount not-to-exceed \$38,000, with the total contract amount not-to-exceed \$86,000).
- H. **PUB19-107** - Consider recommending adoption of an Ordinance of Denton authorizing the City Manager, or his designee, to execute a Pole Attachment License Agreement between the City of Denton, a Texas-Home Rule Municipal Corporation, and Unite Private Networks, LLC, a Delaware Company ("UPN"); and, providing for an effective date.

Board Member Cheek motioned to approve item F with a second by Board Member Bynum. Vote 6-0 approved

Board Member Carroll motioned to approve items A, B, C, D, E, G, and H with a second by Board Member Jackson. Vote 6-0 approved

1. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. **PUB19-104** - Consider approval of the Public Utilities Board Meeting minutes of May 20, 2019.

Approved as presented.

- B. **PUB19-105** - ACM Update:
1. Credit and Collections Follow-Up Summary
 2. Future Agenda Items
 3. Matrix

CONCLUDING ITEMS

Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Public Utilities Board 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

No items


CLOSED MEETING

- A. **PUB19-109** - 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.

Discuss and deliberate strategies and opportunities for the City to acquire renewable energy and energy storage, and enter into agreements regarding the same, including potential power purchase agreements with respondents to the City's requests for proposals regarding these products; receive a presentation from staff regarding public power competitive and financial matters pertaining to the purchase of renewable energy and energy storage; consultation with the City's attorneys regarding legal issues associated with the agreements described above where discussion of these legal matters in an open meeting 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.

Adjournment: 9:42am

Approved 6/24/19 with correction

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Susan Parker