

MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL
August 29, 2011
City of Richardson, Texas

A Special Meeting of the City Council was held at 7:30 p.m., Monday, August 29, 2011 with a quorum of said Council present, to-wit:

Bob Townsend	Mayor
Laura Maczka	Mayor Pro Tem
Mark Solomon	Council member
Scott Dunn	Council member
Kendal Hartley	Council member
Steve Mitchell	Council member
Amir Omar	Council member

City staff present:

Bill Keffler	City Manager
Dan Johnson	Deputy City Manager
Michelle Thames	Assistant City Manager Administrative Services
David Morgan	Assistant City Manager Community Services
Cliff Miller	Assistant City Manager Development Services
Samantha Woodmancy	Management Analyst
Pamela Schmidt	City Secretary

1. **INVOCATION – MARK SOLOMON**
 2. **PLEDGE OF ALLEGIANCE: U.S. AND TEXAS FLAGS – MARK SOLOMON**
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3. **REPRESENTATIVE ANGIE CHEN BUTTON TO PRESENT HOUSE RESOLUTION HR 2712, CONGRATULATING THE RICHARDSON POLICE DEPARTMENT AND THE CITIZENS OF RICHARDSON ON TAKING FIRST PLACE IN THE 2010 NATIONAL NIGHT OUT COMPETITION.**

Mr. Keffler stated that the City was pleased to have State Rep. Angie Chen Button in attendance along with the leadership of the Police Department.

Rep. Button remarked on the tough Legislative Session and stated she was very happy to be home to serve her constituents. She asked Police Chief Spivey and Mayor Townsend to join her at the podium. Chief Spivey introduced Asst. Chief Rhonda Bonner, Lt. Trey Cotton, and Capt. Brent Tourangeau stating they were directly responsible for putting the National Night Out celebration together. He also recognized Capt. Rick Helfers, Asst. Chief Brian Sylvester, Capt. Danny Martin, Lt. Steve Baxster and Lt. Daniel Robb for their assistance with the program. Rep. Button strongly encouraged people to participate and visit the various sites. She read the Proclamation recognizing the City of Richardson for achieving 1st Place in the 2010 National Night Out Program competition. She underscored that the award goes to the entire residents of the City for their participation. Chief Spivey thanked Rep. Button for her representation and thanked the members of his staff.

ACTION TAKEN: No Council action.

4. **VISITORS.** (THE CITY COUNCIL INVITES CITIZENS TO ADDRESS THE COUNCIL ON ANY TOPIC NOT ALREADY SCHEDULED FOR PUBLIC HEARING. PRIOR TO THE MEETING, PLEASE COMPLETE A "CITY COUNCIL APPEARANCE CARD" AND PRESENT IT TO THE CITY SECRETARY. THE TIME LIMIT IS FIVE MINUTES PER SPEAKER.)

None.

5. **PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2011-2012.**

Mr. Keffler thanked the members of the City Manager's Office, the Budget office and the Finance Department for their assistance in the preparation of the budget. He noted that the City's website include the proposed budget, the presentation made on August 15 and this evening's presentation, as well as the July Budget Retreat. He also noted all of the financial information that is currently available on the City's website. The goal for tonight's presentation is to stimulate feedback. He stated that there are many things these days, locally, statewide, nationally and globally, that are important to be aware of, yet many of these things are not our local circumstance, nor can we take an action to resolve some of those matters. A key strategy may be to keep focused, stay flexible, and take care of matters that can be handled. The focus is on City Council Goals, recent election directions such as the 2010 Bond Election and General Election, ongoing planning efforts, organizational values, strategic opportunities and indicators of future trends. He noted that even as this FY 2011-12 Budget holds the line on new staffing and operational cost, ongoing changes in service demands place added pressures and provided work load indicators comparing to FY 2000-01. Mr. Keffler reviewed the following key budget highlights.

- 0.4% increase in the overall certified tax base (1.0% after factoring in values in dispute and tax increment financing)
- No Tax rate change from current \$0.63516
- Maintain the Senior Exemption current \$55,000 value amount
- Property taxes provide about 37% of the entire General Fund resources
- No residential rate change at this time for Water/Sewer Utility and Solid Waste
- A market based commercial solid waste increase
- Implement a Drainage Utility Fee with an average residential fee of \$3.75/month and a commercial property equivalent rate of about \$0.10/100 sq ft of impervious surface is under evaluation.
- Selected fees and rates proposed for adjustment include several building permits, rental registration and inspection fees, and ambulance fees.
- A rate adjustment is proposed for the Golf Course
- Initiates \$600,000 in funding for community enhancement projects
- Staffing and compensation funding is proposed for step pay plan merit increases and a 2% merit increase for those topped out for more than a year.
- Following the 2010 G.O. Bond program approval and related debt-assigned \$0.06 tax rate change with focus on active implementation of the program
- Debt service requirements of \$7.645 million across all funds is proposed for the Series 2012 C.O. debt program to cover the annual capital replacement requirements and Utility Fund CIP needs.

With regard to the combined funds, Mr. Keffler stated there are times when it's appropriate and acceptable to utilize excess fund balance and when this happens, planned expenditures will exceed planned revenues, but the fund balance is still positive. He stated the strategy allows the City to avoid rate increases. In talking about the General Fund, he stated that the budget

has increased 5.9% over 5 years when the CPI increased 8.3%. He highlighted General Fund revenues and review the top ten taxpayers. Roughly 80% of the single family residents will pay the same tax bill as they did in 2010 and he reviewed the average senior home value noting there are 6,972 or 25% of residents taking advantage of the senior tax exemption. He reviewed the franchise fee, sales and other business taxes, as well as General Fund expenditures. For the 2011-12 Budget, the City will increase its contributions to CORPlan by \$2.0 million, moving to the DFW major cities average of 25% employee/75% employer expenditure split and no increase to premiums paid by employees. Mr. Keffler stated the Street Repair and Rehabilitation program provides \$976,000 or one penny of the tax rate and \$375,000 in operating funding. He reviewed the Water and Sewer Fund revenues and expenditures and highlighted the continual increase in NTMWD rates that have not been passed on to tax payers due to the use of rate stabilization or fund balance. He provided highlights of the Solid Waste Fund, which continues the senior discount program rate of \$13.30 which represents a 26% discount in the monthly bill. He also noted that the commercial residents subsidize each residential account by \$65.00 per year. Mr. Keffler reviewed the Hotel/Motel Tax Fund with an operating budget of \$5,740,289 and he provided a list of the hotels/motels in the city and he addressed the revenues and expenditures of the Eisemann Center. With regard to the Golf Fund, he reported that a green fee rate increase is proposed of \$4 for the weekend and weekday rack rate and a \$2 increase for all other green fee rates and estimates no General Fund subsidy for 2011-12. He stated that there is a debt service of \$542,000 in the Golf Fund budget and felt it important to note that the debt is paid from the Golf Fund rather than the General Fund as is done in several other communities. He emphasized the excellent ratings received by Sherrill Park by the highly respected *Dallas Morning News* rankings. He provided closing comments noting that the pace of economic change continues to be forecasted as a gradual, multi-year effort. He stated that final action on the budget is scheduled for Monday, September 12, 2011 and reiterated that all of the documents presented to Council are located on the City's website for the public's convenience and review.

Mr. Mitchell asked Mr. Keffler to address the funds that would be used for community enhancement. Mr. Keffler stated the \$500,000 would be from the amount typically used for equipment replacement and the remaining \$2.4 million would be used for rolling stock. He clarified that it was not neighborhood vitality, which is a different funding source, and the Council would decide the projects. Mr. Mitchell felt earmarking funds for community revitalization was a good step in the right direction. He asked about the position in the Building Inspection Department and Mr. Keffler replied it was a result of the reorganization of the Community Services Department and the retirement of Mr. Hightower earlier in the year. Mr. Mitchell also noted his desire to increase the corporate involvement at Sherrill Park. Mr. Keffler referred to Mr. Glanton's presentation to the Council during the July Budget Retreat and he felt the Council's interest was heard by Mr. Glanton.

Mr. Omar stated he understands the staff will be reviewing the public safety pay plan later in the year. Mr. Keffler stated that dialogue as already begun with the Fire and Police chiefs. He stated it is clear that the seven year steps is on the longer end.

Mayor Townsend opened the public hearing and invited speakers to the podium.

Darrell Day, 1303 Chickasaw, complimented the Council on the budget and stated he liked the process and the balancing act. He stated he like the continued aggressive stance on street rehabilitation, the community enhancement dollars. He stated he would have liked to see a little more funding in the street rehabilitation program and was pleased with televising the Retreat and Work Session. He also commended Mr. Keffler.

Dick Record, 102 Thompson, commended the Council with being able to expand services and felt that overall the City does a good job and looks at things relatively conservatively. He questioned the need for the Drainage fee. He stated he would like to know how the other cities compare with increased rates and talked about compensation as a whole. He encouraged the Council to look at the total compensation package being offered. Mr. Keffler clarified that he intended to show that the City has held the line on the drainage fee since it was first allowed to be charged in 2000 and stated the bulk of the funds will be used for utility expenditures and projects including employee costs that are currently covered in the General Fund. He also clarified the comments made with regard to employee compensation and assured Mr. Record that the City is looking at the entire package as well as making comparisons with competitive cities. Mr. Mitchell requested a comparison and history of raises provided by other cities.

Ken Robinson, 2507 Springpark Way, spoke against the drainage fee and stated that having the lowest taxes should be the goal. He provided his definition of transparency referring to the tax rate increase associated with the 2010 Bond election. He spoke in opposition to the Tree the Town Program, suggested the Council make cuts and suggested doing away with red light camera enforcement.

Richard Tanner, 401 Ridgehaven, made philosophical comments and stated that all obligations must be included in the budget. He also felt the Council should look at the abatements and asked why there was no homestead exemption offered for homeowners such as is offered in other communities. He stated that he finds it disturbing that City Staff moves money around stating it was a City Charter violation.

Steven Wrage, 1135 Brandy Station, stated that he has not been able to give his employees any type of wage increase and has had to cut benefits, and asked the Council to reconsider the proposed salary increases due to the economy. He felt there is a disparity between the salaries of private and public employees.

ACTION TAKEN: Mr. Mitchell moved to close the public hearing; second by Ms. Maczka and the motion was approved with a unanimous vote.

Mr. Mitchell stated that none of the Council wants to see increased spending or additional taxes and asked Mr. Keffler to respond to the impact of inflation. Mr. Keffler stated the staff and Council has to base its decisions on the best information it has. He noted that the overall budget, increased by 2.6% and the General Fund Budget at 2.3%, is under the 3+% cost of living increase. He noted that half of the overall budget is people cost and the remaining is commodity. He reiterated that the budget had only increased 5.9% over the past 5 years while the CPI increased by 8.3%. With regard to the bond election, he noted that the information provided reflected it would require a 6 cent tax rate increase for debt service and underscored that the increase has not been used for maintenance and operations since the early 2000's. He also noted the increased level of services with a reduced number of employees. In response to Mr. Wrage, Mr. Omar felt the average salary was comparable to the private sector. He stated that overall he was pleased with the restraint shown and the proposed budget. He also noted that the NTMWD, even with increases, still has the lowest rates of other water districts.

ALL ITEMS LISTED UNDER ITEM 6 OF THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION IN THE FORM LISTED BELOW. THERE WILL BE NO SEPARATE DISCUSSIONS OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED SEPARATELY:

6. CONSENT AGENDA:

ACTION TAKEN: Mr. Solomon moved approval as presented; second by Mr. Hartley and the motion was approved with a unanimous vote

- A. Resolution No. 11-24, adopting the City of Richardson City Council Statement of Goals.

There being no further business, Mayor Townsend adjourned the meeting at 9:48 p.m.



MAYOR

ATTEST:



CITY SECRETARY

