

MINUTES OF A MEETING OF THE CITY COUNCIL
July 30, 2012
City of Richardson, Texas

A Meeting of the City Council was convened at 6:00 p.m., Monday, July 30, 2012 with a quorum of said Council present, to-wit:

Bob Townsend	Mayor
Laura Maczka (Absent)	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:

Dan Johnson	City Manager
David Morgan	Deputy City Manager
Michelle Thames	Assistant City Manager Administrative Services
Cliff Miller	Assistant City Manager Development Services
Samantha Woodmancy	Management Analyst
Vickie Schmid	Deputy City Secretary
Gary Beane	Budget Officer
Don Wagner	Director of Community Services
Pete Smith	City Attorney

Call to order – Mayor Townsend called the meeting to order at 6:02 p.m.

Visitors

Richard Tanner, 401 Ridgehaven Place, stated that the Texas Constitution provides for the direct election of the mayor, as well as Council. He felt the City Charter was in conflict with State law and that the Charter should give way.

Administer the Oath of Office to City Secretary Aimee Nemer

Mr. Johnson stated that Council took action in June to appoint Aimee Nemer to serve as Richardson's City Secretary. He noted that she had 15 years of progressive municipal experience, with her most recent experience as City Secretary for the City of Murphy. Mayor Townsend administered the Oath of Office and welcomed Ms. Nemer to Richardson. He said he looked forward to working with her.

Mayor Townsend thanked Vickie Schmid for filling the gap until the new City Secretary joined the staff.

Consider Ordinance No. 3872, ordering a special election on proposed amendments to the Home Rule City Charter of the City of Richardson to be held on November 6, 2012; providing for the publication and posting of notice; proposing amendments to the Home Rule City Charter of the City of Richardson; and authorizing the City Manager to execute

an Election Agreement and Election Services Contract with Dallas County and Collin County Elections Departments.

Mr. Johnson stated that the City received a petition on July 5, 2012, calling for the direct election of the mayor and in accordance with State law, the City Secretary's Office verified 2499 qualified voter signatures in a timely manner. At Council's direction, an ordinance was prepared to call a Special Election and authorize the City to contract with Dallas and Collin Counties for election services for the November 6, 2012 general election.

Mr. Dunn questioned how the direct election of the mayor would change the City for the better; he stated that Solid Waste services, Police services, and Fire services were already highly regarded.

Mr. Omar and Mr. Mitchell felt that the wording of the proposition should be amended to list the Articles and Sections last in an effort to make the proposition clearer for voters. In response, City Attorney Pete Smith suggested the following amended proposition wording:

"Shall the Home Rule Charter of the City of Richardson, Texas be amended to provide for the direct election of the Mayor by amending Article 3, Section 3.01(a), Section 3.02, Section 3.03, Section 3.07, Article 4, Section 4.02, Section 4.05, Section 4.06, Section 4.08 and Article 5, Section 5.01, Section 5.02, and Section 5.03 of the Home Rule Charter?"

Mr. Solomon felt that "of the City of Richardson, Texas" should be added after the word "Mayor" for further clarification.

In response to a question from Mr. Mitchell, Mr. Johnson stated that, should the proposition pass in November, the City Charter could not be changed again for 730 days (2 x 365 days); which could result in a two or a two and one-half year time span before any additional Charter changes could be considered.

Mr. Solomon made a motion to approve Ordinance 3872 as revised to change the wording on Section 11 for the proposition to call a November 6, 2012 election; second by Mr. Omar and the motion was approved with a 6-0 vote (Maczka absent).

Joint Meeting with the Sign Control Board to Review and Discuss the Enhancements to Chapter 18 of the City's Code of Ordinances Concerning Sign Regulations

Mayor Townsend welcomed the Sign Control Board and acknowledged that Dorthy McKearin – Chair, Sandra Moudy – Vice Chair, Alicia Marshall, Charlie Warner, and Muhammad Ikram were in attendance. He asked the board members to introduce themselves.

Mr. Johnson acknowledged the detailed work of the Sign Control Board and Community Services staff over the past several months and advised that Don Magner would be providing a summation of the recommended changes. He felt that the expectations, goals, and desires for user-friendly sign regulations were captured in the new ordinance. Mr. Johnson asked Mr. Magner to brief the Council.

Mr. Magner stated he was happy to present the final ordinance which was a culmination of eight months of hard work for the Sign Control Board and Council. He stated that the goal of the new ordinance was to present sign regulations in a clear and concise manner, to address new sign

types, to establish a guide for sign measurement, to establish a minor modification approval process, and to adopt a new Appendix to include supporting material (pictures, diagrams, etc.). He advised that the new ordinance was organized strictly by sign type and offered all pertinent information for each sign type in one location, making the Code more user-friendly and understandable. Mr. Magner detailed revisions made to the Code as requested by Council, including a layered approach to parking vehicles with signage attached, a requirement to remove or replace abandoned signs within 180 days, establishing a time limit of 180 days for variances plus another six months once the permit is issued (1 year total), and requiring signs to be in "good repair" or maintained in the same condition as when it was initially installed. He noted that Article III and IV had been combined, eliminating Article IV. New sign types including digital displays, LED signs, business identification signs/business district signs, community garden signs and banners were added to the Code, while regulations regarding pole signs and monument signs were modified to standardize the regulations where possible. Mr. Magner stated that, with Council's approval, the proposed ordinance would be placed on the August 13 agenda for review and consideration. He stated that, once the ordinance is approved, Community Services staff would include a promotional piece in the Certificate of Occupancy packet, promote education among contractors, meet with the Chamber of Commerce/commercial community to review the changes.

In response to a question by Mayor Townsend, Mr. Magner stated that after the new ordinance is adopted, he would work with Homeowners Associations/Neighborhood Associations to find a better solution than posting on utility poles for the posting of informational signs. In response to Mr. Dunn's question, Mr. Magner stated that enforcement of the new regulations regarding vehicles with attached signage could begin immediately after the ordinance is adopted. Mr. Magner suggested providing a handout explaining the new regulations that would include a deadline for compliance.

In response to Ms. McKearin's request for clarification regarding variance allowances, Mr. Omar and Mr. Mitchell suggested that signs should be timeless and tasteful and that signs should be in keeping with other signs in the area, deciding the merits of each request on a case by case basis. Mr. Dunn felt that the Sign Control Board had done an excellent job and that the Board should be empowered to do the job they were charged to do. Mr. Solomon felt that the Sign Control Board should also be given the authority to review new sign types as technology changes and make recommendations to Council in the future.

Mayor Townsend thanked the Sign Control Board members for their excellent work and stated that the proposed changes to the Code would accomplish the task given the Board of making the Code concise and understandable going forward.

Mayor Townsend announced that Council would take a brief recess at 7:17 pm; he reconvened the Work Session at 7:27 p.m.

Review and Discuss the Budget Retreat Follow-Up Items

Mr. Johnson noted that the Budget Retreat held on July 17 and 18 presented Council with departmental budgets and revenue fund summaries proposed for the 2012-2013 budget. He noted that the budget would be filed with the City Secretary's Office on Friday, August 3. Mr. Johnson reviewed changes anticipated for the 2012-2013 budget year for revenue and expense funds, including employee compensation, employee/retiree health insurance, water/sewer

proposed rate increase, and the final certified tax values. He advised that the proposed budget included a 3% employee compensation rate increase to maintain the City's market position as compared to other cities and that Police and Fire pay plans would be adjusted to reflect a seven step plan, rather than nine steps, in order to remain competitive. He noted that no significant changes were planned for CORPlan premiums in order to maintain the "grandfathering" provision in connection with the federally mandated health insurance regulations. He also noted that the "grandfathering" provision would no longer be in effect for the 2013-2014 budget year and CORPlan changes are anticipated at that time.

Mr. Johnson stated that, as discussed during the Budget Retreat, North Texas Municipal Water District (NTMWD) had indicated significant rate increases are planned for each of the next five to seven years, with each year resulting in as much as a 19% to 22% rate increase to member cities. He noted that although a 14% increase was discussed during the Retreat, a 13% rate change was recommended to restore the 90-Day Fund Balance back to 90 days due to the City's ability to diffuse some utility debt and reduce the total debt service. Gary Beane advised that a 13% rate increase would translate to approximately \$8-\$10 per month increase to customers. Mr. Johnson noted that all NTMWD member cities face the same rate increase challenges; he advised that NTMWD indicated the increases were necessary to restore Texoma as a water source and secure a secondary water reserve in case of extreme drought conditions as experienced in previous years.

Council engaged in discussions of the following two scenarios, considering the merits of each, relative to restoring the 90-Day Fund Balance to a full 90 days:

- (1) Pass-through a rate increase of 13% to restore the 90-Day Fund Balance to 90 days, without tapping into the Rate Stabilization Fund; or
- (2) Pass-through a rate increase of 8% and use from \$1.2 Million to \$1.8 Million of the Rate Stabilization Fund to restore the 90-Day Fund Balance to 90 days or more.

Council agreed on the importance of restoring and maintaining the 90-Day Fund Balance which they felt was vital to maintaining the City's AAA Bond Rating, but differed on how that should be achieved. Council also discussed the need to make citizens aware that the increase passed on to water users was necessary to offset the substantial rate increase to the City by NTMWD. Some Council members felt it would be prudent to make citizens aware of the potential for even greater increases in the coming years.

In response to questions by Council, Mr. Johnson advised that the Rate Stabilization Fund allows the City to be reactive to emergency situations or revenue shortfall experienced throughout the year. Mr. Johnson recommended the 13% increase and no use of Rate Stabilization Fund monies to restore the Fund Balance to a full 90 days; he advised that the situation could be monitored throughout August and refinements made if necessary. Council concurred and directed Mr. Johnson to move forward with the 13% rate increase as proposed by staff.

Mr. Johnson noted that the final certified tax rolls had been received and indicated a strong 3.4% tax value change above last year's rate. He said appraisal challenges were still pending and would likely lower the final overall values. Mr. Johnson stated that the budget would move forward with a conservative 0.5% value increase, as presented at the Budget Retreat; any reserve realized over the anticipated 0.5% would be placed in a non-departmental account which could be used for additional street maintenance projects.

In response to Mr. Omar's question regarding employee compensation, Mr. Johnson stated that pay plans would be adjusted and anniversary dates refined to cause a separation to remain between positions. He noted that Human Resources was sensitive to structure and pay scales for all departments and positions. Mr. Johnson confirmed that positions are evaluated every year to preserve and maintain our position in the top one-third of surrounding cities.

Mr. Johnson advised that the next step in the Budget process was to file the Budget with the City Secretary's Office on Friday, conduct a Public Hearing on the Budget, and work toward adoption of the final 2012-2013 Budget on September 10.

Report on Items of Community Interest

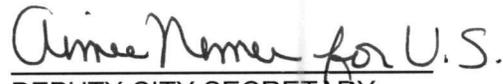
Mr. Solomon extended congratulations to Mayor Townsend on the occasion of his 60th Wedding Anniversary.

There being no further business, Mayor Townsend adjourned the meeting at 9:00 p.m.



MAYOR

ATTEST:



DEPUTY CITY SECRETARY