

**MEETING OF THE IRVING CITY COUNCIL
FINAL MEETING MINUTES
August 21, 2014**

The Irving City Council met in special session in the Council Conference Room of the City Hall Complex on August 21, 2014 at approximately 8:45 a.m. The following members were present / absent:

Attendee Name	Organization	Title	Status	Arrived
Beth Van Duyne	Irving City Council	Mayor	Present	
John C. Danish	Irving City Council	Councilman	Present	9:00 a.m.
Allan Meagher	Irving City Council	Councilman	Present	
Dennis Webb	Irving City Council	Councilman	Present	9:10 a.m.
Joe Putnam	Irving City Council	Councilman	Present	
Oscar Ward	Irving City Council	Councilman	Present	
Brad M. LaMorgese	Irving City Council	Councilman	Present	
Gerald Farris	Irving City Council	Councilman	Present	
Thomas Spink	Irving City Council	Councilman	Present	

8:00 a.m. Breakfast

8:45 a.m. First Floor City Council Conference Room

A. Budget Overview and FY 2014-15 Outlook

Chris Hillman, City Manager, presented the overview of the budget to the Mayor and Council in accordance with the Home Rule Charter.

Max Duplant, Chief Financial Officer, reviewed fund balance requirements and the City's current cash reserves.

B. Five Year Forecast of General Fund

1. General Fund Revenue and expenditures 2010-2019

Bret Starr, Budget Administrator, outlined the history of the General Fund revenues and expenditures and the projected outlook through 2019. In reviewing the General Fund five-year financial forecast, staff proposed the projected sales tax increase of approximately three percent based on current trends. Council would like to see the projected sales tax higher than the staff proposed amount.

2. Review and Discussion of Debt Service by Category

Bret Starr, Budget Administrator, reviewed the city debt service policy guidelines and the proposed debt issuance over the next five years for capital improvements.

Chris Hillman, City Manager, noted that prior to the Budget Retreat, council members submitted a variety of questions regarding the proposed budget. All questions have been reviewed and answered.

Council recessed at approximately 10:34 a.m. for a break.

Council reconvened at approximately 10:45 a.m.

C. Policy and Direction of Utility Rate Recommendations

1. Water and Sewer Rate, Operations and Capital Program discussion

Todd Reck, Water Utilities Director, provided an overview of the current water and sewer rate revenues, current operations, and future capital improvement projects. He discussed the on-going operation increases and the increased costs of sewer treatment from the Trinity River Authority. The recommendation for FY2014-15 is for the water and sewer rates to increase by 6.3%, which is approximately \$2 per month for the average residential household.

Jennifer Ivey of RedOak Consultants provided an overview of the water and wastewater cost-of-service rate study that was performed for the City. The final report of this comprehensive water and wastewater study will be provided to council next week. It was the consensus of the council to review the report prior to making a decision on the FY2014-15 water rate.

Should there be a water rate increase, information will be provided to the public regarding the increased costs the City has incurred for water treatment, sewer treatment and the purchase of water.

2. Sanitation Rate, Operations and Capital Program discussion

Brenda Haney, Solid Waste Services Director, outlined the current sanitation rate, levels of service, and issues regarding operations. A sanitation rate increase is being proposed to maintain the current level of service provided to the residents and businesses and to support future operation needs, fund capital projects, and address fund balance needs. Ms. Haney reviewed the five-year projected supplemental increases that include staffing, vehicles and equipment. Staff is recommending a 7.3% rate increase for sanitation services.

Chris Hillman, City Manager discussed future plans to do a comprehensive study of services provided by Solid Waste to determine if there are areas of service that can be decreased with minimal impact to residents.

3. Municipal Drainage Rate, Operations and Capital Program discussion

Casey Tate, Capital Improvement Program Director, discussed the current municipal drainage rate, the operation costs and proposed capital improvements projects.

4. Review of Cost of Service study

Bret Starr, Budget Administrator, reviewed the cost of service study that is used to determine the cost of services provided to the General Fund and can be used to establish an overhead cost for state and federal grant programs.

Council recessed at approximately 12:00 p.m. for lunch.

Council reconvened at approximately 12:35 p.m.

1:00 p.m. First Floor City Council Conference Room

D. Capital Improvement Program Five Year Plan

1. General Fund Non-Bond CIP

Casey Tate, Capital Improvement Program (CIP) Director reviewed the Capital Improvement Program proposed General Fund Non-Bond CIP projects under the General Obligation Bond Sale. Staff is looking for direction on prioritizing projects. Mr. Tate also reviewed the proposed General Fund Non-Bond CIP projects and the five-year CIP plan.

2. General Bond funded CIP

3. Council and Public Capital Improvement Proposals

The council discussed prioritizing projects listed under the General Fund Non-Bond CIP projects and the unfunded capital project requests. Projects reviewed and council direction to staff included:

- Centennial Park Log Cabin - estimates on replacing the roof with material that is economical and durable will be provided to council
- Motocross Park – cost estimates for maintenance and operations of the Park and more information on liability costs is needed
- Communication Plan and Study – Council inquired about the need for this study and reducing the costs
- Look into purchasing land for a recreational facility in Southwest Irving
- Prepare a comprehensive study of all recreational and park facilities throughout all sections of the city
- Council supports funding \$220,000 for underground utilities for Captain Nemo's
- Council supports commissioning a sculptor for the Veterans Memorial Park and agreed that funding for this project can come from the available balance in the Veterans Park Fund

- Review the current city policy regarding funding assistance for sidewalk repairs in gated community
- Review state and federal funding options to expand and improve the Georgia Farrow Recreation Center

Case Tate, CIP Director reviewed the State Highway 183 Expansion, provided an overview of costs, the impact on city infrastructure, and the need for additional staff for project management.

E. Major Policy Discussion and Direction

1. TMRS 30% Repeating COLA

Max Duplant, Chief Financial Officer, presented the proposed 30% repeating cost of living adjustment (COLA) for retirees through the TMRS system. Due to changes in the legislation and the City Charter, the City now has the option to implement the repeating COLA. Council supported the TMRS 30% repeating COLA.

2. Employee Compensation and Benefits

Bret Starr, Budget Administrator, outlined the employee compensation and benefits, noting the health care costs have increased and staff reports there will be an increase from 8% to 8.86%. In reviewing salaries and benefits, it was recommended that a 2% cost of living increase be implemented for general government and civil service employees.

3. Fund Balance Requirements

Max Duplant, Chief Financial Officer, reviewed the 120-day reserve requirement and the general fund balance. Staff recommends that the city maintain the 120 days overall so that sufficient funds are available for emergencies and contingencies.

4. North Lake Natatorium

Joe Moses, Parks and Recreation Assistant Director, reviewed the new, one-year, agreement the City has proposed with North Lake College related to the natatorium. Included in the agreement, the City will pay for 74% of operating cost for the natatorium and Irving ISD will pay for 26%. Discussion on future usage, funding, and repairs to the Natatorium are planned with the new president at Northlake College. Council supported this agreement and plan.

5. Texas Musicians Museum

Doug Janeway, Interim Business Affairs Director, detailed the progress on the Texas Musicians Museum and the proposed costs of \$1.2 million to improve the property. Council discussed using available bond funds for the Heritage Museum Project for the Texas Musician's Museum project and asked staff to determine if those funds can be used.

6. Tennis and Golf Events; Post Office

Doug Janeway, Interim Business Affairs Director, reviewed the World Team Tennis events, ATP Irving Classic and the LPGA events, noting the total funding cost is \$325,000. Council agreed in the total amount for special events but were not in agreement about the amount allocated for the tennis events and want to look at reducing costs. Regarding financial assistance to the post office in South Irving on Main Street, council agreed the assistance was for one year and would not continue in FY 14-15.

7. Heritage District Improvements

Doug Janeway, Interim Business Affairs Director, outlined Heritage District improvements that include Main Street Building improvements, Heritage Crossing Redevelopment consulting and design services, Irving Boulevard TIF #2 consulting, Gateway improvement and land purchases.

8. Tax Rate

Max Duplant, Chief Financial Officer, proposed to maintain the current tax rate of \$0.5986 and reviewed an analysis of the estimated Ad Valorem tax revenue.

9. Discussion of Budget Priorities

Further discussion on budget priorities included:

- Membership dues for Texas 21 and the Texas High Speed Rail and Transportation Coalition for America are no longer necessary
- Regarding the \$50K reduction to the ICTN budget, consider returning that money to their budget.
- Decrease the funding to the Transportation Summit and consider changing it from a three-day event to a one-day event.

F. Discussion and Questions on Departmental Budget Summaries

Chris Hillman, City Manager, described the budget summaries for each department.

G. Review of Public Input

No additional public input was discussed at this time.

H. Council Action

Resolution RES-2014-279 -- Expressing Intent to Consider Adopting the Proposed Tax Rate

Bret Starr, Budget Administrator, outlined the resolution requirements associated with the tax rate.

Motioned by Councilman Danish, seconded by Councilman Putnam to express the intent to consider adopting a tax rate that will not exceed \$0.5986.

Motion approved 8-1.

Councilmember(s) voting in opposition of this motion include: Mayor Van Duyne

RESULT:	ADOPTED [8 TO 1]
MOVER:	John C. Danish, Councilman
SECONDER:	Joe Putnam, Councilman
AYES:	Danish, Meagher, Webb, Putnam, Ward, LaMorgese, Farris, Spink
NAYS:	Beth Van Duyne

I. Executive Session

Council convened into executive session pursuant to Section 551.072 of the Texas Local Government Code at approximately 5: 23 p.m.

Real Estate - Convention Center Hotel Site
Sec. 551.072, Texas Local Government Code

Council reconvened from executive session at approximately 5:34 p.m.

The meeting adjourned at 5:35 p.m.

Beth Van Duyne, Mayor

ATTEST:

Shanae Jennings, TRMC
City Secretary