

**MEETING OF THE IRVING CITY COUNCIL
BUDGET RETREAT
August 20, 2015**

The Irving City Council met in the Council Conference Room of the City Hall Complex on August 20, 2015 at approximately 8:41 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	
Allan Meagher	Irving City Council	Councilman	Present	
Dennis Webb	Irving City Council	Councilman	Present	
Phil Riddle	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	
Wm David Palmer	Irving City Council	Councilman	Present	

Thursday

8:00 a.m. Breakfast

Chris Hillman, City Manager, presented a broad overview of the budget presentations.

A. Long Term Financial Plan Considerations

Ryan Adams, Assistant to the City Manager, presented long term financial plan considerations which included capital investment history, remaining General Obligation (GO) Bond authorizations, GO Bond purchase power, GO Bond authorization, department identified capital projects, alternate funding sources, Non-Bond Capital Improvement Projects (CIP) and GO debt service.

B. Vehicle Replacement Challenges

Jeff Litchfield, Finance Director, described the current vehicle replacement policy and discussed how it should be funded, the history of the annual funding, the history of the ending fund balance, replacements costs to all units and the vehicle replacement plans for FY 2016 and FY 2017.

C. Budget Overview and FY 2015-16 Outlook

Bret Starr, Budget Administrator, presented an overview of the various General Fund revenues, staffing walkforward and General Fund expenditures.

Council recessed for lunch at approximately 11:50 a.m.

Council reconvened from lunch at approximately 12:40 p.m.

Jeff Liltchfield, Finance Director, discussed the major budget drivers and provided comparisons to other cities. He discussed the fund balance projections, municipal drainage utility fund, solid waste services utility fund and summarized the Hotel Occupancy Tax fund.

Bret Starr outlined the history of the General Fund revenues and expenditures from 2010 and the projected outlook through 2019. His presentation included base expenditures with 5 year projected costs for each of the following:

- Street repairs
- Equipment replacement
- Infrastructure replacement
- Fire Station 12
- Recreation/senior center
- Supplemental increases

Max Duplant, Assistant City Manager, provided an update on health insurance and pension funding.

The full presentation on the budget overview can be viewed on ICTN on Demand.

D. Policy and Direction of Utility Rate Recommendations

Todd Reck, Water Utilities Director, detailed the FY2015 year-end projections and the capital/Infrastructure trends and needs. He presented the FY2016 expense projections, including the current water and sewer rate revenues, operations costs and future capital improvement projects. Mr. Reck discussed the impact of absorbing those added expenses and reviewed the debt coverage ration trending. He presented the proposed multi-year rate plan and the impacts to residential customers along with residential rate benchmarking. He stated that staff recommends 8.0% increase in the water and sewer rate for FY2016 with increases through FY2020. If the council decides to do a one-time increase in FY2016 the increase percentage would be higher.

Several of the council members stated that they are in favor of the multi-year rate plan increase.

E. Capital Improvement Program Five Year Plan

Casey Tate, Capital Improvement Program Director, presented the proposed general fund capital improvement projects (CIP) five-year plan. He detailed the proposed projects funded with the general obligation bond sale and the proposed projects funded by non-bond CIP pay-go funding.

F. Discussion and Questions on Proposed Budget

Chris Hillman, City Manager, summarized the additional documents and information the Mayor and Council are seeking follow-up to base on the presentations provided at this meeting.

G. Review of Public Input

Bret Star reviewed the comments submitted by residents regarding the budget.

H. Council Action

1 Resolution 2015-274 -- 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 Meagher to Approve Resolution 2015-274 Expressing Intent to Consider Adopting a tax rate that will not exceed \$0.5941.

Motion approved 9-0.

RESULT:

ADOPTED [UNANIMOUS]

MOVER:

John C. Danish, Councilman

SECONDER:

Allan Meagher, Councilman

AYES:

Van Duyne, Danish, Meagher, Webb, Riddle, Ward, LaMorgese, Farris, Palmer

I. Executive Session

Council convened into executive session pursuant to Section 551.071 and Section 551.087 of the Texas Local Government Code at approximately 4:48 p.m.

- 2** Economic Development and Legal Advice - ARK Group of Irving, Inc.
Open Meetings Act § 551.087 and § 551.071

Council reconvened from executive session at approximately 5:30 p.m.

Council adjourned the meeting for the day at 5:30 p.m.

Friday

The budget retreat concluded on Thursday, August 20, 2015.

Beth Van Duyne, Mayor

ATTEST:

Shanae Jennings, TRMC
City Secretary