

MINUTES
Irving City Council Special Meeting
Wednesday, May 16, 2018 at 8:00 AM
Irving Arts Center, Suite 200
3333 N. MacArthur Blvd., Irving, TX 75062

The Irving City Council met in special session on May 16, 2018 at approximately 8:45 a.m. The following members were present / absent:

Attendee Name	Organization	Title	Status	Arrived
Mayor Rick Stopfer	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	
Kyle Taylor	Irving City Council	Councilman	Present	
Wm David Palmer	Irving City Council	Councilman	Present	

DISCUSSION

A. Review of Resident Survey

Aimee Kaslik, Chief Innovation and Performance Officer, presented a review of the resident survey. She covered in her slide, which is available to the public, the quality of life, community characteristics, public safety, the quality of city services, city performance, communications and priorities. The priorities, as established by the survey, are street maintenance and conditions, corridor enhancements, street lighting, development and redevelopment, and police and fire.

B. Budget Context

1. Current Fiscal Year Update

Bret Starr, Budget Administrator, described the status of the current fiscal year budget. Property values continue to rise, franchise fee revenues are stable, and overall revenues and expenditures are projected to be favorable compared to budget. Property tax is Irving's highest general fund revenue at 48%, followed by sales tax at 30%.

2. FY 2018-19 Revenues and Major Cost Drivers

Bret Starr, Budget Administrator, outlined the projected revenues and major cost drivers expected for FY18-19. He noted that property values are projected to increase more than 7% based on adjusted DCAD estimates and new construction, while sales tax is projected to be flat to current estimates. Significant cost drivers include: employee compensation, TIF district revenues and expenditures separated from General Fund, economic development incentive agreements, increased capital fund needs and new service requests. Mr. Starr also described the projected Hotel Occupancy Tax (HOT) increases and how the revenue is allocated.

3. Comparative Costs of Municipal Services

Bret Starr, Budget Administrator, detailed the cost of city services compared to 13 other cities in the metroplex and how that relates to tax rates.

Council recessed at approximately 10:30 a.m.

Council reconvened at approximately 10:45 a.m.

C. Discussion Topics

1. Water and Sewer Operations, Rates, and Capital Improvement Outlook

Todd Reck, Water Utilities Director, described the current and future needs of the Water Utilities. He noted that staff recommends a multi-year rate plan projection of 5.3% increase.

2. Solid Waste Services Operations, Rates, and Capital Improvement Outlook

Brenda Haney, Solid Waste Services Director, presented the current and future needs of Solid Waste Services, noting no rate increase is expected for the upcoming fiscal year.

3. Municipal Drainage Utility Operations, Rates, and Capital Improvement Outlook

Casey Tate, Capital Improvement Program Director, detailed the projects funded by the Municipal Drainage Utility.

4. Increase Residence Homestead Exemption for Persons Disabled or 65 Years of Age or Older by \$5,000 to \$40,000

Bret Starr, Budget Administrator, confirmed that the city recommends increasing the homestead exemption for persons disabled or 65 years of age or older by \$10,000 to \$45,000.

Councilmen Riddle, Danish and Ward left the room during this discussion and filed abstention affidavits with the City Secretary for this item.

Council convened into executive session pursuant to Section 551.087 of the Texas Local Government Code at approximately 11:51 a.m.

F. Economic Development Negotiations – Project Stellar

Open Meetings Act § 551.087

Council reconvened at approximately 1:14 p.m. The council reconvened into the special session at 1:21 p.m.

1. Employee Health Care Update
Jill McAdams, Human Resources Director, described status of the employee health care program, noting that claims are down. She discussed the value of the employee engagement group and indicated what an amazing addition and impact that has been on input into healthcare. She outlined the proposed near clinic opportunity which will be funded with surplus funds.
2. Update on Extension of Tax Increment Finance District No. 1
Jeff Litchfield, Chief Financial Officer, outlined the Tax Increment Finance District No. 1 Board's discussion of extending the District and plan to provide a recommendation to the City Council in the near future.
3. Capital Improvement Program – Five Year Plan
Casey Tate, Capital Improvement Program Director, presented the five year CIP plan. He described the projects planned with bond funds, including the Road to the Future project, Parks, Fire, city buildings and communications.
4. Vehicle and Equipment Replacement Fund (VERF) Update
Bret Starr, Budget Administrator, detailed the current and proposed vehicle and equipment replacement funding.
5. Tax Rate and Capital Improvement Plan
 - i. Debt Service Rate
 - ii. Maintenance & Operations Rate
 - iii. Additional Funding for VERF
 - iv. Capital Projects Five Year Plan
 - v. TxDOT Diamond Interchange Project
 - vi. Heritage Park
Jeff Litchfield, Chief Financial Officer presented the tax rate and capital improvement plan related to the debt service and maintenance and operations rates; VERF funding, TxDOT Diamond Interchange Project and Heritage Park.
6. Bond Authorization Capacity
 - i. Remaining Bond Authorization
 - ii. New Bond Authorization Election
Chris Hillman, City Manager, asked for Council direction related to authorizing new bond funds.

It was the consensus of the Council to discuss this at the next Audit and Finance committee meeting.

D. Strategic Plan – FY 2019-20 to FY 2023-24 Goals

Chris Hillman, City Manager, provided an update on the current Strategic Plan.

Council members provided input during the discussion of the following goals as it pertained to their individual priorities.

7. Financial Sustainability

Mayor Stopfer- Would like to look at the charter, travel policy, cyber security, water sources, policies on natural disaster, the “Amazon” effect, and smart cities

Councilman Ward- questioned the Charter retirement benefit cap

Councilman Riddle- asked for more information on the unexpended economic development incentives

Councilman LaMorgese- would like the city to work with legislature more closely, if possible, in regard to home values and taxes

8. Systematic Infrastructure Investment

Councilman Meagher- requested additional lighting at parks and noted the importance of the BNSF North/South Connector

Councilman Danish- discussed the timeline of the BNSF North/South Connector if the CottonBelt gets built

Councilman Ward- questioned the status of broadband

9. Vibrant Economy

Councilman Ward- asked the status of the Old Lumberyard property

Councilman Danish- discussed the green island concept and its impact on high rise apartments

Councilman Taylor- questioned the city’s plan for the Heritage area

Councilman LaMorgese- discussed how to encourage redevelopment of the Belt Line corridor and Valley Ranch area

Councilman Palmer- discussed increasing median household income

10. Service Excellence

Councilman Taylor- noted the importance of continuing the discussion about healthy homes, workforce housing and housing for the elderly; a location first responder can take people with mental illness

Councilman LaMorgese- discussed going back to the basics while using different technology and the need for new parks and recreation centers

11. Inclusive and Collaborative Governance

Councilman Taylor- asked that funds for youth trips be included in the budget

Councilman Palmer- discussed the importance of community engagement

Mayor Stopfer- discussed diversity and the challenge of getting everyone together

12. Talented and Energized Workforce

Mayor Stopfer- discussed employee raises, funding for recruitment and the importance of finding quality employees

It was the consensus of the Council to consider all goals and see where and if they can be built into the budget.

E. Council Priorities

Council and staff discussed this item above.

EXECUTIVE SESSION

Council convened into executive session pursuant to Section 551.071 of the Texas Local Government Code at approximately 4:31 p.m.

G. Legal Advice - ARK Group of Irving, Inc.

Open Meetings Act § 551.071

Council reconvened from executive session at approximately 5:16 p.m.

Council adjourned the meeting at 5:16 p.m.

Richard H. Stopfer, Mayor

ATTEST:

Shanae Jennings, TRMC
City Secretary