The Irving City Council met in special session on May 20, 2020. The following members were present/absent:

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Organization</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Rick Stopfer</td>
<td>Irving City Council</td>
<td>Mayor</td>
<td>Present</td>
<td></td>
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<tr>
<td>John C. Danish</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Allan Meagher</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Dennis Webb</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
<td>9:48 AM</td>
</tr>
<tr>
<td>Phil Riddle</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
<td></td>
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<tr>
<td>J. Oscar Ward</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Al Zapanta</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Kyle Taylor</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
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<tr>
<td>Wm David Palmer</td>
<td>Irving City Council</td>
<td>Councilman</td>
<td>Present</td>
<td></td>
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8:00 A.M. Breakfast

Mayor Stopfer called the meeting to order at approximately 8:30 a.m.

8:30 A.M. EXECUTIVE SESSION

Council convened into executive session pursuant Section 551.071 of the Texas Local Government Code to discuss the below item at approximately 8:30 a.m.

Legal Advice - Comptroller Rebate Ruling on the Entertainment Center & Convention Center Hotel Project - Open Meetings Act § 551.071

Council reconvened from executive session at approximately 9:08 a.m.

A. Citizen Comments on Items Listed on the Agenda

No one signed up to speak at this meeting.

B. Action items

1 Resolution RES-2020-163 -- Authorizing Any Appropriate Action as Necessary to Appeal the Determination of the Comptroller in Connection with the State Tax Rebates for the Entertainment Center; and Approving Addendum No. 1 to the Agreement with Bracewell LLP for Continued Legal Services in Connection with the Entertainment Center

Motioned by Councilman Ward, seconded by Councilman Zapanta to Approve Resolution -- Authorizing Any Appropriate Action as Necessary to Appeal the Determination of the Comptroller in Connection with the State Tax Rebates for the Entertainment Center; and Approving Addendum No. 1 to the Agreement with Bracewell LLP for Continued Legal Services in Connection with the Entertainment Center.

Motion approved 8-0. Councilman Webb was absent during this vote.
RESULT: ADOPTED [UNANIMOUS]
MOVER: J. Oscar Ward, Councilman
SECONDER: Al Zapanta, Councilman
AYES: Stopfer, Danish, Meagher, Riddle, Ward, Zapanta, Taylor, Palmer
ABSENT: Dennis Webb

2 Resolution RES-2020-164 -- Take Appropriate Action Concerning Declaration of Local Disaster for Public Health Emergency to Address COVID-19

Motioned by Councilman Ward, seconded by Councilman Palmer to Approve Resolution -- Take Appropriate Action Concerning Declaration of Local Disaster for Public Health Emergency to Address COVID-19.

Motion approved 8-0. Councilman Webb was absent during this vote.

RESULT: ADOPTED [UNANIMOUS]
MOVER: J. Oscar Ward, Councilman
SECONDER: Wm David Palmer, Councilman
AYES: Stopfer, Danish, Meagher, Riddle, Ward, Zapanta, Taylor, Palmer
ABSENT: Dennis Webb

3 Resolution RES-2020-165 -- Authorizing the Submittal of a Substantial Amendment to the City of Irving 2019-2024 Consolidated Plan and the 2019-2020 Annual Action Plan to the U.S. Department of Housing and Urban Development for the Use of Federal Funds Relative to the Expenditure of CARES Act Community Development Block Grant Funds and Emergency Solutions Grant COVID Funds.

Councilman Taylor abstained and has submitted an Abstention Affidavit with the City Secretary’s Office.

Motioned by Councilman Ward, seconded by Councilman Meagher to Approve Resolution -- Authorizing the Submittal of a Substantial Amendment to the City of Irving 2019-2024 Consolidated Plan and the 2019-2020 Annual Action Plan to the U.S. Department of Housing and Urban Development for the Use of Federal Funds Relative to the Expenditure of CARES Act Community Development Block Grant Funds and Emergency Solutions Grant COVID Funds.

Motion approved 7-0-1. Councilman Webb was absent during this vote.
RESULT: ADOPTED [7 TO 0]
MOVER: J. Oscar Ward, Councilman
SECONDER: Allan Meagher, Councilman
AYES: Stopfer, Danish, Meagher, Riddle, Ward, Zapanta, Palmer
ABSTAIN: Kyle Taylor
ABSENT: Dennis Webb

C. Budget Context

Chris Hillman, City Manager, gave an overview of the budget outlook, noting that staff expects revenue will be down due to the COVID-19 pandemic but projections will not be available for several months.

1. Current Fiscal Year Update

Shannon Phillips, Budget Manager, provided an update on the current fiscal year revenues and expenditures. She noted property value growth remains strong but is expected to decrease in the next fiscal year, sales tax revenue will see a dramatic decrease, and other revenue reductions equal an estimated short fall in the General Fund of over $16 million. She described the use of fund balances and one-time uses to keep the current year’s budget balanced.

Chris Hillman, City Manager, confirmed an expectation of a 25-30% loss in sales tax.

Council and staff discussed the housing and the commercial real estate market.

Mr. Hillman detailed the vacancy savings, furloughs, and hiring freezes identified to offset the deficit.

Jeff Litchfield, Chief Financial Officer, presented information on the impact of the COVID-19 pandemic to the Hotel Occupancy Tax (HOT) revenue and how it is disbursed to various city programs.

Maura Gast, Executive Director of ICVB, noted expectation of new hotel construction will slow and there will be contraction in the industry.

Council and staff discussed how the hotel revenue projections were formed.

2. Debt Service

Bret Starr, Finance Director, presented information on the current debt service plan related to the general obligation and revenue debt, hotel occupancy tax debt and public improvement district debt.
3. The Economy (Federal, State, Local)

Jeff Litchfield, Chief Financial Officer, presented information on the state of the economy at the federal, state, and local level. He provided information on sales tax, HOT tax, the unemployment rate, travel spending, data from the State Comptroller, and the projected global statistics.

Council recessed at approximately 10:55 a.m.
Council reconvened at approximately 11:02 a.m.

4. Comparative Costs of Municipal Services

Ebony Roundtree, Budget Coordinator, provided data on comparative costs of municipal services from various cities.

Chris Hillman, City Manager, confirmed that the City is competitive related to other cities in tax rate and cost of services.

Mayor Stopfer asked for a model for an average home including tax rate, homestead savings and how the property taxes are used.

D. Enterprise Funds

1. Water and Sewer Operations and Rates Outlook

Todd Reck, Water Utilities Director, presented an update on the water and sewer operations, noting that staff expects a need for a small rate increase to meet debt coverage goals but will come back with additional information at a future meeting.

Councilman Danish asked for information on the TRA project along the golf course.

2. Solid Waste Services Operations and Rates Outlook

Travis Switzer, Solid Waste Services Director, outlined the solid waste services operations, noting that staff recommends the rates stay the same at this time.

Councilman Taylor asked for the department to look into automated trash pickup.

Councilman Palmer asked for the rate to change to remove businesses from paying solid waste rates when they are not receiving the service.

Chris Hillman, City Manager, clarified that it has been the consensus of the
Council in the past to maintain the solid waste rate for all.

3. Municipal Drainage Utility Operations and Rates Outlook

Pat Lamers, Capital Improvement Program Director, described the municipal drainage utility operations, noting that staff recommends modifying the MDU rate schedule, including no rate increase next year and extend the plan to six years.

It was the consensus of the Council to keep the current five-year plan.

Council recessed at approximately 11:55 a.m.
Council reconvened at approximately 12:37 p.m.

E. General Fund

1. Texas Legislative Action Impacting City Revenue and Operations

   a. Senate Bill 2 and Calculation of Property Tax Rates

   Jeff Litchfield, Chief Financial Officer, presented the calculations of the effective tax rate based on regulations outlined in Senate Bill 2. He noted that due to the disaster declaration, the restrictions will not take effect for FY 2020-21.

   Kuruvilla Oommen, City Attorney, noted that the Governor does not have authority to change the law unilaterally.

   Chris Hillman, City Manager, noted he plans to recommend maintaining the same tax rate for the next fiscal year.

   Councilman Riddle noted his support of the effective tax rate.

   It was the consensus of the Council to keep the tax rate the same of .5941 for calculations of the proposed FY 2020-21 budget.

2. Economic Development Funding

Philip Sanders, Assistant City Manager, described the current economic development funding program. His presentation included current budgeted contributions and noted that the city does not have dedicated revenues to address economic development incentives and will result in a budget shortfall in the near future.

Councilman Ward asks for an update on the long term financial plan adopted by Council in the past to be provided to the Council in the future.
Beth Bowman, President/CEO of the Greater Irving-Las Colinas Chamber of Commerce, provided information on the focus of the Chamber to ensure the City is competitive for economic development and to safeguard and retain the current businesses in the City.

David Pfaff, Chairman of the Greater Irving-Las Colinas Chamber of Commerce, commended the City for being pro-business and noted the pandemic has changed the way businesses operate and where they operate.

Council and the Chamber representatives discussed the incentive program and its usage in the region to stay competitive.

Councilman Ward asked the City Manager to bring information on ways to fund the incentive program.

Chris Hillman, City Manager, outlined his recommendation to use Tax Increment Reinvestment Zone No. 1 (TIF No. 1) ratchet-down funds to provide long term economic development funding for the entire city.


Jeff Litchfield, Chief Financial Officer, outlined the various pension funds and the status of the plans’ funding strategies. He stated the City Manager’s recommendation is to increase the City’s contributions by 3% based on the Firemen's Relief and Retirement Fund Board members’ vote to decrease benefit or increase member contributions, but noted that this fund may need additional funds in the future.

Micah Johnson, Chairman of Firemen’s Relief and Retirement Fund, provided an update on decisions made by the Fund Board related to DROP accounts to be voted on by the membership, discussed the funding restoration plan and an actuarial determined contribution plan.

Council and staff had a lengthy discussion on the pension plans.

Council recessed at approximately 3:25 p.m.
Council reconvened at approximately 3:39 p.m.

F. Resident Survey Review

This item was not discussed and will be rescheduled for a future meeting.

G. COVID-19 City Services Update

1. Parks, Recreation, and Special Events

Joe Moses, Parks and Recreation Director, described the changes to the Parks
and Recreation Department's operations due to the COVID-19 pandemic. His presentation included proposed plans for the Fourth of July fireworks and to limit opening of aquatic centers and limiting opening of recreation centers.

It was the consensus of the Council to do only the fireworks for the Fourth of July program this year.

2. Libraries

Cary Siegfried, Library Services Director, described the changes to the Library Department's operations due to the COVID-19 pandemic. She outlined the various phases of reopening the libraries with limited capacity and limited programming.

3. Irving Convention and Visitor's Bureau

Maura Gast, Executive Director of the ICVB, presented an update on the ICVB and Convention Center's operations due to the COVID-19 pandemic. Her presentation included the ICVB cash flow and funding challenges, resource options and the current initiatives to maintain core operations.

4. Irving Arts Center

Todd Hawkins, Executive Director of Museums and Culture, outlined the changes to the Irving Arts Center’s operations due to the COVID-19 pandemic. He described the proposed plan to reopen the offices and public spaces for visitors in phases.

5. Other City Services

This item was not discussed.

H. New Strategic Plan

This item was not discussed and will be rescheduled for a future meeting.

I. Council Priorities and Focus Areas

This item was not discussed and will be rescheduled for a future meeting.

1. Financial Sustainability
2. Systematic Infrastructure Investment
3. Vibrant Economy
4. Service Excellence
5. Inclusive and Collaborative Governance
6. Talented and Energized Workforce
J. Fiscal Year (FY) 2020-21 Budget Calendar

This item was not discussed and will be rescheduled for a future meeting.

K. Future Items

This item was not discussed and will be rescheduled for a future meeting.

- June 24 Budget and Strategic Plan Review
  1. Revenue Projections FY 2019-20
  2. Capital Improvement Program
- July 22 Budget and Strategic Plan Review
  1. Revenue Projections FY 2020-21
  2. Employee Compensation

Council adjourned the meeting at 5:00 p.m.

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Richard H. Stopfer, Mayor

ATTEST:

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Shanae Jennings, TRMC
City Secretary