

**MINUTES**  
**Irving City Council Budget Retreat**  
**Friday, August 19, 2022 at 8:00 AM**  
**City Hall, First Floor, Council Conference Room**  
**825 West Irving Boulevard, Irving, TX 75060**

The Irving City Council met in special session on August 19, 2022. The following members were present / absent:

| <b>Attendee Name</b> | <b>Organization</b> | <b>Title</b> | <b>Status</b> | <b>Arrived</b> |
|----------------------|---------------------|--------------|---------------|----------------|
| Mayor Rick Stopfer   | Irving City Council | Mayor        | Present       |                |
| John Bloch           | Irving City Council | Councilman   | Present       |                |
| Brad M. LaMorgese    | Irving City Council | Councilman   | Present       |                |
| Mark Zeske           | Irving City Council | Councilman   | Present       |                |
| Phil Riddle          | Irving City Council | Councilman   | Present       |                |
| J. Oscar Ward        | Irving City Council | Councilman   | Present       |                |
| Al Zapanta           | Irving City Council | Councilman   | Present       |                |
| Kyle Taylor          | Irving City Council | Councilman   | Present       |                |
| Dennis Webb          | Irving City Council | Councilman   | Present       |                |

8:00 AM                      Breakfast  
Mayor Stopfer called the meeting to order at approximately 8:33 a.m.  
All councilmen were present.

8:30 AM                      Meeting

A. Citizen Comments on Items listed on the Agenda

No one signed up to speak at this meeting.

B. Welcome

1. Budget Overview

Philip Sanders, Assistant City Manager, discussed an overview of the budget retreat agenda.

2. Budget Goals

Philip Sanders, Assistant City Manager, outlined the budget goals for FY22-23. He noted the goals include maintaining current service levels, ensure employees receive competitive pay and benefits, address the impactful inflationary costs increases the City is experiencing, address Council-prioritized Future and Focus needs, identify service optimization and efficiency opportunities, strategically plan for future needs, and limit impact of assessed property values on the residents and businesses.

C. General Fund Overview

1. Revenues and Expenditures

Shannon Phillips, Budget Manager, detailed the revenues and expenditures of the General Fund. The presentation included the FY21-22 budget update; noting sales tax is projected above current estimates and other revenues starting to recover from the pandemic. She reviewed limited facility closures, inflation and supply chain stressor, labor shortages, and Pension Obligation Bonds (POBs) savings. The FY22-23 overview included sales tax trends, American Rescue Plan Act (ARPA) funding, proposed 3% Cost of Living Adjustment for general government employees and 3.5% market adjustment of civil service employees; a proposed 2% increase in health insurance premiums, and the City Manager's recommendation to lower the tax rate to \$0.5891. Ms. Phillips also outlined the FY22-23 budget overview of proposed revenues from property taxes, sales taxes, and other revenues as well as expected General Fund expenditures.

2. Tax Rate Discussion

Bret Starr, Chief Financial Officer, discussed the various tax rate terms, certified values, and calculated tax rates. He also detailed the proposed tax rate, consequences of lowering the rate below the proposed rate, and reviewed the sifting more funds to debt service for the Pension Obligation Bond debt service.

3. Significant Changes from FY 22 to FY 23

Shannon Phillips, Budget Manager, described the City Manager's budget priorities and significant changes by department. Changes include new positions, additional operational costs, and one-time expenditures funded by ARPA.

4. Future in Focus - Year 2

Tony Cao, Senior Strategic Services Manager, outlined Year 2 in the Five-Year Future and Focus plan for each department funded from the General Fund.

5. Capital Improvement Projects

Pat Lamers, Capital Improvement Program Director, detailed the current fiscal year bond sale, the planned FY22-23 projects, and staffing increases identified in Future in Focus to assist with the capital projects.

6. Consolidated Fee Schedule

Tony Cao, Senior Strategic Services Manager, discussed the consolidated fee schedule plan. The presentation included the benefits and uses, and approach and strategy for consolidating the fees. He also noted the anticipated revenues for cost recovery and the next steps.

Council recessed at approximately 10:16 a.m.

Council reconvened at approximately 10:38 a.m.

#### D. Water and Sewer Fund Overview

1. Revenues and Expenditures
2. Future in Focus - Year 2
3. Rate Discussion
4. Significant Changes from FY 22 to FY 23
5. Capital Improvement Projects

Steve Pettit, Assistant Water Utilities Director, presented an overview of the Water and Sewer Fund. The presentation included water supply operations, operating budget, projected revenues, capital improvement projects, and proposed rates and benchmarking.

#### E. Municipal Drainage Utility Fund Overview

1. Revenues and Expenditures
2. Future in Focus - Year 2
3. Rate Discussion
4. Significant Changes from FY 22 to FY 23
5. Capital Improvement Projects

Walter Thomas, City Engineer, presented an overview of the Municipal Drainage Utility (MDU) Fund. The presentation included active major projects, MDU capital five-year plan, FY22-23 MDU budget summary, MDU CO bond projects, non-bond funded projects, and staffing increases identified in Future in Focus.

#### F. Solid Waste Services Fund Overview

1. Revenues and Expenditures
2. Future in Focus - Year 2
3. Rate Discussion
4. Significant Changes from FY 22 to FY 23
5. Capital Improvement Projects
6. Solid Waste Services Proposed Interim Collection Service

Travis Switzer, Solid Waste Services Director, presented an overview of the Solid Waste Services Fund. The presentation included the current 5-year rate structure and analysis, the proposed new 5-year rate structure and analysis, upcoming capital projects and

significant changes from FY21-22, and next steps. Mr. Switzer also discussed the proposed interim collection service changes and implementation and public outreach plan.

Council recessed at approximately 12:00 p.m.

Council reconvened at approximately 1:01 p.m.

Councilman Zapanta and Webb were absent immediately following lunch.

#### G. Internal Service Funds Overview

##### 1. Fleet and Vehicle Replacement Overview

Debbie Jackson, Fleet Business Operations Manager, discussed the fleet and vehicle replacement overview. The presentation included fleet services operations, inflation impacts on the budget, supply chain impacts on operations, significant changes from FY21-22, and capital improvement projects.

##### 2. Information Technology Overview

Chad Powell, Chief Technology Officer, presented the Technology Fund overview. The presentation included the technology fund balance, projected revenues, and proposed FY23 projects.

#### H. American Rescue Plan Act (ARPA)

Tony Cao, Senior Strategic Services Manager, described the American Rescue Plan Act (ARPA) Funding. The presentation included background information, first tranche funding allocation and the status of the projects, City Council and City Manager's focus area for second tranche, proposed funding allocations and ARPA one-time projects.

#### I. Compensation and Benefits Discussion

##### 1. Pay Adjustments

##### 2. Benefits

##### 3. Recruitment and Retention Strategies

Councilman Zapanta and Webb returned at 1:39 pm.

Jason Hardy, Workforce Services Manager and Elliott Harper, Human Resources Manager, presented the compensation and benefits overview. The presentation included pay adjustments for FY22-23, employee benefits, pre-65 retiree benefits, and recruitment and retention strategies.

## J. Economic Development

### 1. Economic Development Fund Overview

Philip Sanders, Assistant City Manager, detailed the Economic Development Fund and the Heritage Crossing land bank program.

### 2. Economic Development Incentives Fund Overview

Bryan Haywood, Economic Development Manager, described the Economic Development Incentives Fund, the TIF No. 1 “ratchet-down” plan, and the committed fund balance policy.

### 3. Entertainment Venue Operating Budget and Work Plan

Jennifer Ramirez, Senior Economic Development Coordinator, outlined the Entertainment Venue Operating Budget and Work Plan, including revenues from the Brimer Hotel Occupancy Tax (HOT), administrative expenses, and admission tax.

### 4. Tax Increment Financing Districts (TIFs) Funds Overview

Bret Starr, Chief Financial Officer, presented the Tax Increment Financing Districts (TIFs) Funds overview. The presentation included the impact of tax rates on TIF revenues, the TIF ratchet down and allocation schedule.

### 5. Public Improvement Districts (PIDs) Funds Overview

Bret Starr, Chief Financial Officer, discussed the Public Improvement Districts (PIDs) Funds Overview. The presentation included the purpose of residential PIDs, the debt associated with the PIDs, and the proposed FY22-23 assessments.

## K. Debt Service

Bret Starr, Chief Financial Officer, detailed the FY22-23 debt service; noting it has been separated into two components: capital program and pension obligation bonds.

## L. Community Center Vision Discussion

Joseph Moses, Parks and Recreation Director, discussed the Community Center Vision. The presentation included the challenges of the current model, the parks master plan findings, the Irving Vision, the phased approach, and the next steps.

## M. City Hall Construction

Amy Sibley with Komatsu Architecture presented information on the study for improvements to City Hall. The study compared the costs to expand/remodel City Hall to the costs to construct a new City Hall complex.

N. Charter Organization Budgets (presented by Charter Orgs)

1. Irving Convention and Visitors Bureau (ICVB)

Maura Gast, Executive Director of the ICVB, presented the department's FY23 budget. Her presentation included state of the industry, US travel volume and spending. She also outlined the labor and staffing challenges, hotel needs, and priorities of the ICVB.

2. Arts and Culture

Todd Hawkins, Executive Director of Arts and Culture, presented budget information on the Arts Center and the museum and heritage fund. His presentation included outlining the Arts Center's funds and proposed FY22-23 budget changes. Mr. Hawkins also provided information on revenues and expenditures for the Heritage and Museum Fund and summarized the use of the Preservation Fund.

O. Cost of Municipal Service Benchmarks

Ebony Roundtree, Budget Coordinator, outlined the cost of municipal service benchmarks. Benchmarks included property tax rates across the state, Metroplex average taxable value, proposed cost of service changes for FY 23, and direct comparison of annual cost of municipal services.

P. Community Budget Input

This item was not discussed today.

Q. Council Priorities and Projects

1. Financial Stability
2. Systematic Infrastructure Investment
3. Vibrant Economy
4. Service Excellence
5. Inclusive and Collaborative Governance
6. Talented and Energized Workforce

This item was not discussed today.

R. Council Action

- 1 **Ordinance ORD-2022-10617** -- Public Hearing and Second and Final Reading Amending Chapter 33 Entitled "Refuse, Garbage and Weeds", Sections 33-30, 33-31 and 33-33, of the Code of Civil and Criminal Ordinances of the City of Irving, Texas, Providing for New Solid Waste Service Rates and Fees

Motioned by Councilman Ward, seconded by Councilman Zeske approved Ordinance -  
- Public Hearing and First Reading Amending Chapter 33 Entitled "Refuse, Garbage and Weeds", Sections 33-30, 33-31 and 33-33, of the Code of Civil and Criminal Ordinances of the City of Irving, Texas, Providing for New Solid Waste Service Rates and Fees

Motion approved 9-0.

|                  |   |                               |
|------------------|---|-------------------------------|
| <b>RESULT:</b>   | <b>FIRST READING [UNANIMOUS]</b>                                      | <b>Next: 9/1/2022 7:00 PM</b> |
| <b>MOVER:</b>    |   | J. Oscar Ward, Councilman     |
| <b>SECONDER:</b> |   | Mark Zeske, Councilman        |
| <b>AYES:</b>     | Stopfer, Bloch, LaMorgese, Zeske, Riddle, Ward, Zapanta, Taylor, Webb |                               |

- 2 **Resolution RES-2022-330** -- Expressing Intent to Consider Adopting the Proposed Tax Rate

Motioned by Councilman LaMorgese, seconded by Councilman Zeske to express the intent to consider adopting a tax rate that will not exceed \$0.5941.

Motion approved 8-1.

Councilmember(s) voting in opposition of this motion include: Ward

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>ADOPTED [8 TO 1]</b>   |
| <b>MOVER:</b>    | Brad M. LaMorgese, Councilman                                   |
| <b>SECONDER:</b> | Mark Zeske, Councilman  |
| <b>AYES:</b>     | Stopfer, Bloch, LaMorgese, Zeske, Riddle, Zapanta, Taylor, Webb |
| <b>NAYS:</b>     | J. Oscar Ward   |

The meeting was adjourned at approximately 4:42 p.m.

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Richard H. Stopfer, Mayor

ATTEST:

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Shanae Jennings, TRMC  
City Secretary/Chief Compliance Officer