

MINUTES
Irving City Council Special Meeting
Friday, August 18, 2023 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 18, 2023. The following members were present / absent:

Attendee Name	Organization	Title	Status	Arrived
Mayor Rick Stopfer	Irving City Council	Mayor	Present	
John Bloch	Irving City Council	Councilman	Present	
Brad M. LaMorgese	Irving City Council	Councilman	Present	12:20 PM
Abdul Khabeer	Irving City Council	Councilman	Present	
Phil Riddle	Irving City Council	Councilman	Present	
Mark Cronenwett	Irving City Council	Councilman	Present	
Al Zapanta	Irving City Council	Councilman	Present	
Kyle Taylor	Irving City Council	Councilman	Present	10:22 AM
Dennis Webb	Irving City Council	Councilman	Present	9:00 AM

8:00 AM Breakfast

8:30 AM Meeting

Mayor Stopfer called the meeting to order at approximately 8:35 a.m.

Councilman LaMorgese arrived at 12:20 p.m.

Councilman Taylor arrived at 10:22 a.m.

Councilman Webb arrived at 9:00 a.m.

A. Citizen Comments on Items listed on the Agenda

No one signed up to speak at this meeting.

B. Welcome

1. Agenda Overview

Chris Hillman, City Manager, provided an overview of the budget retreat agenda.

2. Budget Goals

Chris Hillman, City Manager, outlined the budget goals for FY 23-24. He noted the goals included having all positions funded at 80th percentile, Future in Focus needs, retiree healthcare, increasing firefighters' starting pay, addressing rising cost of inflation and insurance, implementing Let's Play Irving, funding for Medic 8, twice per week manual solid waste collection, and maintaining the current tax rate at .5891.

Council and staff discussed the City's need for increased public safety personnel due to the growth in the population and Irving covering state highway accidents.

C. Compensation and Benefits

Jill McAdams, Human Resources Director, presented the compensation and benefits overview. The presentation included step/merit/firefighter/cost of living adjustment (COLA) increases, 80th percentile compensation, retention and recruitment, health insurance, and retiree health care costs.

Council and staff discussed how the City provides retirement planning information.

D. General Fund Overview

1. Revenues and Expenditures

Bret Starr, Chief Financial Officer, outlined the change from the prior fiscal year in revenues and expenditures.

Shannon Phillips, Budget Manager, detailed the current year revenues and expenditures of the General Fund. The presentation included an overview of the budget process and updates to the FY 22-23 budget. Ms. Phillips also outlined the FY 23-24 budget overview of projected revenues from property taxes, sales taxes, and other revenues as well as expected General Fund expenditures.

Mayor Stopfer asked for the calculations on how the new homestead exemption law affects the property tax revenue.

Council and staff discussed the allocations for Medic 8.

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, the adjusted voter approval rate, and consequences of lowering the rate below the proposed rate. He noted staff recommends maintaining the current tax rate of \$0.5891.

Council and staff discussed how the adjusted voter approval rate is calculated and how the state legislature and the bond rating agencies affect how the City determines the maintenance and operations funds versus the interest and sinking funds.

Council recessed at approximately 10:45 a.m.

Council reconvened at approximately 11:00 a.m.

Council convened into executive session at approximately 11:00 a.m.

Council reconvened from executive session at approximately 11:26 a.m.

Council recessed at approximately 11:26 a.m.

Council reconvened at approximately 12:14 p.m.

3. Capital Improvement Projects/ Debt Service

Bret Starr, Chief Financial Officer, detailed the allocation of the tax rate to debt service, pension obligation debt projection, debt capacity analysis and the debt service allocations for the upcoming capital projects.

Council and staff discussed the limited debt capacity in the upcoming years in order to fund the Let's Play Irving plan without raising the tax rate.

4. Significant Changes from Fiscal Year (FY) 23 to FY 24

Shannon Phillips, Budget Manager, described the City Manager's budget priorities and significant changes by department. Changes include COLAs, transitioning from 70th percentile to 80th percentile for compensation, market adjustments for civil service, and health insurance premium increases. Department changes included new positions, additional operational costs, and one-time costs.

E. Water and Sewer Fund Overview

1. Revenues and Expenditures
2. Rate Discussion
3. Significant Changes from FY 23 to FY 24
4. Capital Improvement Projects/Debt Service

Todd Reck, Water Utilities Director, presented an overview of the Water and Sewer Fund. The presentation included water supply operations, operating budget, Future in Focus, capital improvement projects, proposed rate increase in wastewater, projected revenues and rate benchmarking.

Mayor Stopfer discussed the partnership with the Upper Trinity Water District.

Council and staff discussed the proposed rate changes.

F. Municipal Drainage Utility Fund Overview

1. Revenues and Expenditures
2. Rate Discussion
3. Significant Changes from FY 23 to FY 24
4. Capital Improvement Projects/Debt Service

Pat Lamers, Capital Improvement Program Director, presented an overview of the Municipal Drainage Utility (MDU) Fund. The presentation included FY 23-24 MDU budget summary, MDU capital five-year plan, Future in Focus, rate discussion, and active major projects.

G. Solid Waste Services Fund Overview

1. Solid Waste Twice Weekly Manual Service Model and Implementation
2. Rate Discussion
3. Revenues and Expenditures
4. Significant Changes from FY 23 to FY 24
5. Capital Improvement Projects/Debt Service

Travis Switzer, Solid Waste Services Director, presented an overview of the Solid Waste Services Fund. The presentation included FY 23-24 revenues, FY 23-24 expenditures, twice per week collections, and Future in Focus-Year 3.

Councilman Webb questioned the staff's morale when CDL drivers will be required to throw trash and the safety of employees on the back of the trucks.

Chris Hillman, City Manager, confirmed that twice per week collections will start in December but the City will begin recruitment now.

Mr. Switzer described staff's reaction to going back to two collections per week.

Councilman Zapanta noted that there may still be a need for a consultant to provide a study on the various collection options. It was noted that the consultant issue will be brought back to a council committee in the future.

Councilman LaMorgese noted the importance of implementing limits to ensure its reasonable for the employees to pick up.

Councilman Cronenwett asked for information on how other cities promote recycling.

Councilman Taylor noted the importance of balancing the wishes of the residents and the employees. He also supported contracting with a consultant for a study.

Council and staff discussed the proposed solid waste ordinance changes.

Shane Diller, Code Enforcement Director, described how Code Enforcement Officers enforce the solid waste regulations.

H. Internal Service Funds Overview

1. Fleet and Vehicle Replacement Overview

Debbie Jackson, Fleet Business Operations Manager, provided an overview of the fleet and vehicle replacement program, impacts on the budget, vehicle and equipment purchases, and capital improvements.

Councilman Zapanta stepped away from the meeting at approximately 2:00 p.m. and returned at 2:30 p.m.

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 FY 24 projects.

3. Building Improvement Overview

Pat Lamers, Capital Improvement Program Director, presented the building improvement overview. The presentation detailed the high priority facility projects and the various facility upgrades.

I. Capital Improvement Bond Program (CIP) Bond Program/5-Year CIP

Pat Lamers, Capital Improvement Program Director, presented an overview of the Capital Improvement Bond Program. The presentation included a recap of the current year bond sale, the FY 23-24 projects, the five-year CIP plan and how HB 3492 affects the calculation of subdivision public infrastructure project-related fees.

J. Future in Focus Year 3 Update

Tony Cao, Senior Strategic Services Manager, provided an update on year 3 of the Future in Focus plan. He noted that due to the City Manager's focus on recruitment and retention, the majority of the year 3 non-personnel related needs have been deferred to later years.

K. American Rescue Plan Act (ARPA) Funding Update

Tony Cao, Senior Strategic Services Manager, provided an update on how the City has allocated the American Rescue Plan Act (ARPA) funding. The presentation included background information on the City's receipt of over \$54 million in ARPA funds and reviewed the financial status on the ARPA projects.

L. Economic Development

1. Economic Development Fund Overview

Philip Sanders, Assistant City Manager, detailed the Economic Development Fund. The presentation included the economic development operations and economic development fund revenues.

2. Economic Development Incentives Fund Overview

Philip Sanders, Assistant City Manager, described the Economic Development Incentives Fund, the TIF No. 1 “ratchet-down” plan, and the committed fund balance policy.

Chris Hillman, City Manager, discussed the long-term financial plan that is used to fund the incentive program. He also noted that economic development acquisition funding will come to a future Planning and Development Committee for further discussion and direction.

3. Entertainment Venue Operating Budget and Work Plan

Philip Sanders, Assistant City Manager, 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

Brad Duff, Finance Director, 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

Brad Duff, Finance Director, 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 FY 23-24 assessments.

Council recessed at approximately 3:00 p.m.

Council reconvened at approximately 3:30 p.m.

M. 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 FY 24 budget. Her presentation included state of the visitor economy, business travel and Irving’s visitor economy. She outlined the City’s hotel needs, organizational priorities of the ICVB, the five-year plan and planned FY 23-24 capital improvement projects. Ms. Gast also noted that ICVB has seen an increase in both revenues and expenditures.

Council and staff discussed the types of events that are utilizing the convention center

2. Arts and Culture

This item was not discussed at this meeting.

3. City Attorney

Kuruville Oommen, City Attorney, presented an update on the City Attorney's Office budget, noting the request for additional personnel to handle the growth.

4. Judges

Rodney Adams, Municipal Court Judge, presented the funding allocated to the municipal court judges, noting a request for an additional judge.

N. Cost of Municipal Service Benchmarks

Ebony Roundtree, Budget and Compensation Administrator, outlined the cost of municipal service benchmarks. Benchmarks included property tax rates and average taxable value across the Metroplex, proposed cost of service changes for FY 24, and direct comparison of annual cost of municipal services.

O. Community Budget Input

Bret Starr, Chief Financial Officer, reviewed the community input received.

P. Council Priorities and Projects (Future in Focus)

5. Vibrant Economy
6. Infrastructure Investment
7. Sense of Community
8. Government Sustainability
9. Safe and Beautiful City

No additional priorities were discussed.

Q. Council Action

- 1 **Resolution RES-2023-340** -- Authorizing Publication of Notice of Intention to Issue Certificates of Obligation; and Providing for Other Matters Incidental Thereto

Bret Starr, Chief Financial Officer, outlined the planned issue of certificate of obligation.

Motioned by Councilman Webb, seconded by Councilman LaMorgese to approve Resolution -- Authorizing Publication of Notice of Intention to Issue Certificates of Obligation; and Providing for Other Matters Incidental Thereto.

Motion approved 9-0.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dennis Webb, Councilman
SECONDER:	Brad M. LaMorgese, Councilman
AYES:	Stopfer, Bloch, LaMorgese, Khabeer, Riddle, Cronenwett, Zapanta, Taylor, Webb

2 Resolution RES-2023-341 -- Expressing Intent to Consider Adopting the Proposed Tax Rate

Motioned by Councilman Webb, seconded by Councilman Zapanta to express the intent to consider adopting a tax rate that will not exceed \$0.5891.

Motion approved 8-1.

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

RESULT:	ADOPTED [8 TO 1]
MOVER:	Dennis Webb, Councilman
SECONDER:	Al Zapanta, Councilman
AYES:	Stopfer, Bloch, LaMorgese, Khabeer, Riddle, Cronenwett, Zapanta, Webb
NAYS:	Kyle Taylor

R. Executive Session

Council convened into executive session to discuss the below item pursuant to Section 551.072 of the Texas Local Government Code at approximately 10:59 a.m.

- 1 Deliberation Regarding Real Property – 1735 Senter Rd.-
Open Meetings Act § 551.072

Council reconvened from executive session at approximately 11:26 a.m.

Council adjourned the meeting at 4:07 p.m.

Richard H. Stopfer, Mayor

ATTEST:

Shanae Jennings, TRMC
City Secretary/Chief Compliance Officer