

**BUDGET RETREAT OF THE IRVING CITY COUNCIL
MEETING MINUTES
August 19-20, 2010**

The Irving City Council met in budget retreat in the Council Conference Room of the City Hall Complex on August 19-20, 2010. The following members were present / absent:

Attendee Name	Organization	Title	Status	Arrived
Herbert Gears	Irving City Council	Mayor	Present	
Allan Meagher	Irving City Council	Councilman	Present	
Lewis Patrick	Irving City Council	Councilman	Present	
Rick Stopfer	Irving City Council	Councilman	Present	
Gerald Farris	Irving City Council	Councilman	Present	
Joe Philipp	Irving City Council	Councilman	Present	
Rose Cannaday	Irving City Council	Councilwoman	Present	
Roy Santoscoy	Irving City Council	Councilman	Present	
Mike Gallaway	Irving City Council	Councilman	Present	

Mayor Gears convened the meeting at 9:25 a.m. on Thursday, August 19, 2010.

Thursday, August 19

8:00 A. M. Breakfast

9:00 A. M. First Floor City Council Conference Room

A. Budget and Strategic Plan Overview And 2010-11 Outlook

Tommy Gonzalez, City Manager, presented the overview of the budget as presented to the Mayor and Council in accordance with the Home Rule Charter. He addressed the impact of the economy on the budget, but how this budget still addresses the needs of the customers.

Mr. Gonzalez noted the following: for FY 09-10 and 10-11 major General Fund Revenues have declined by \$20.2 million. Property Taxes are down \$10.3 million, Sales Taxes are down \$5.0 million, Electric Franchise is down \$2.4 million, Zoning and Development Fees are down \$1.0 million and Interest Income is down \$1.5 million. Moving forward the city will maintain current levels of service, reduce costs of service delivery, focus on the community's priorities, continue lean six sigma and other productivity tools, incentivize employees to take on additional duties, create new programs, identify ways to reduce operating expenses, and maintain or increase customer service ratings.

Councilman Phillip requested a summary of the 100 awards received by the City so that it can be celebrated. He also requested a summary of the new home construction revenue plus ad volorem from 2009 as well as going forward to 2010-2011.

Councilman Gallaway requested further detail from the City Manager on information contained within his introductory letter on offsetting costs.

Councilman Farris questioned the employees' step increases and what "deferred" increases meant. City Manager Tommy Gonzalez indicated that it was the desire to move towards an incentive driven organization, with items

such as IWIN. Deferred increases have been a focus so that there are no pay decreases or furloughs at this time. Deferral is proposed because the idea of giving increases is not totally being forgone.

Council discussed whether deferred increases were a good idea or not; several different ideas and thoughts were addressed and reviewed.

B. FY 2009-10 Results - video

Bret Starr, Assistant Chief Financial Officer, introduced the 2009-2010 results video for the City of Irving.

C. Review Of All Fund Revenues and Expenditures For FY 2010-2011

Bret Starr, Assistant Chief Financial Officer, reviewed revenue and expenditures in all funds. He indicated that the impact of the national recession on Irving revenues looks to be prolonged, for two to three years, with additional reduction in revenues and a lack of significant new development and growth.

The budget in FY 08-09 was funded at \$183.3 million and the budget for FY 10-11 is being funded at \$168.5 million. There has been no tax rate adjustment for 2008, 2009 or 2010. The proposed rate keeps a portion of the Effective Rate with no use of reserves.

This year's FY 10-11 budget gap was \$20 million. There was a revenue decrease of \$13.7 million and a base budget increase of \$6.3 million, which included health insurance, retirement rate increases and salary and special pay increases. Currently, there are 91 vacant positions that have been eliminated since 2006 and an additional 62 positions held vacant, which has provided a \$4 million annual savings to the General Fund.

Budget balancing strategies have included holding all general fund vacancies, deferring step increases for one year, deferring market adjustments, shifting insurance costs to increase employee contributions, deferring all non-critical capital and replacement transfers, reducing supplies, maintenance, contractual services and other departmental budgets to balance the budget and further budget cuts would come from reductions in service.

In lieu of all of the above, the current year budget remains balanced with expenditure savings and revenue reductions. For FY 2010-11 the city has a structurally balanced budget with minimal impact to service levels and non-critical maintenance and capital deferred. Looking ahead for FY 2011-12 the budget is already under development, with staff looking at a five year financial forecast and department needs assessments being conducted consistently.

Council recessed at approximately 12:00 p.m.
Council reconvened at approximately 1:11 p.m.

The Council asked if there would be any efficiencies to be gained by combining resources together for the Arts Center and the new impending Museum.

Councilman Lewis asked what was in place that requires the Entertainment Venue to be under the same 60/40 law that the City as a whole is under.

Brenda McDonald, Director of Real Estate and Development, indicated that the restaurants in the venue are required to abide by the 60/40 ratio. Since the city owns the venue the lease doesn't contemplate a revocation of a certificate of occupancy, instead it contemplates a \$50,000 penalty if they are out of compliance. In conclusion, the restaurants are subject to the same 60/40 ordinance that the rest of the city's restaurants are; however, the penalties differ slightly.

Mr. Starr concluded that the recession will likely continue to affect city revenues for the next two to three years. Expenditure reductions and cost savings have partially offset the need for revenue increases, tax rate and water rate adjustments are necessary to maintain current levels of service and finance necessary capital improvements, and only further revenue reductions will require reductions in services. FY 2010-11 is structurally balanced, and adopting a rate that is a portion of the effective rate will also begin to address shortfalls in the FY 2011-2012 budget.

D. Strategic Plan Initiatives

1. DISCUSSION: STRATEGIC GOAL #1 - Promote Excellence in Land Use and the Image of Irving's Built and Natural Environment
 - Planning and Inspections

Steve Reed, Planning Manager, presented Goal #1. Mr. Reed indicated that the resident survey showed an increase in overall quality of life, showed Irving as a good place to work and indicated improvement on the appearance of the city in general since 2006. In addition to continuing work on the previous year's goals, a focus will continue to be placed on enhancement to O'Connor Road, MacArthur Boulevard and Irving Boulevard.

Councilman Philipp expressed discontent with the progress made on Heritage Crossing as expressed by a lack of meetings that have been conducted by the members appointed to the Heritage Crossing Committee.

Paul Gooch, Community Services Director, provided an update of what is occurring with the advisory group as well as progress for the Heritage Crossing. The group is working with Delbert McDougal regarding the loans as well as some prospective companies. It is taking an amount of time to aggregate land and they are focused on selling and developing nine tracts. This would include retail, restaurants, supply type stores and housing. He recommended a benchmark of the progress be brought to Council in December.

Councilman Lewis requested that funding not be cut for the Planning & Zoning Commission to attend the annual APA Conference.

The meeting recessed at approximately 5:23 p.m., to be reconvened on August 20, 2010.

Friday, August 20

Mayor Gears called the meeting to order at 8:45 a.m.

- I. Continuation of Budget Discussion Items
2. DISCUSSION: STRATEGIC GOAL #2- Nurture and Promote Vital, Vibrant Neighborhoods
 - Code Enforcement
 - Housing and Human Services

Mike Edwards, Multi-Family Supervisor, presented Goal #2.

Goals for this year focus on elevating residential and commercial code enforcement, enhancing multifamily programs, improving building standards program results, enhancing the health inspection program, expanding community outreach programs, improving customer service delivery, advancing Phase I of Tudor Lane, providing housing initiatives that promote homeownership, supporting programs to combat poverty and homelessness, improving the home restoration program and ensuring compliance, with efficient and effective expenditure and reimbursement of all program funds.

3. DISCUSSION: STRATEGIC GOAL #3 - Cultivate an Environment Conducive to Strong, Successful Economic Development to Enhance and Diversify Irving's Economic Base
 - Economic Development
 - Irving Convention and Visitors Bureau

Max Duplant, Chief Financial Officer, presented Goal #3.

Goals for this year focus on completing the construction and initiating operations of the Convention Center, ensuring Irving's Economic Development Incentive policies and offers are competitive, preparing Texas Stadium for site redevelopment, promoting SH 183 Corridor redevelopment, promoting redevelopment of the Irving Boulevard Corridor, promoting redevelopment of downtown Irving, retaining Irving's existing, targeted businesses, maintaining strong relations with commercial real estate brokers and site selection consultants, maintaining a business resource center in North Lake College's Irving South Campus, implementing strategies identified in retail analysis, communicating Irving's economic development priorities to the business community, and improving speed-to-market development processes.

4. DISCUSSION: STRATEGIC GOAL #4 - Set the Standard for a Safe and Secure City
 - Police
 - Fire
 - Municipal Court
 - Animal Services

Larry Boyd, Police Chief, presented Goal #4.

Goals for this year focus on developing and implementing tactics specifically focused on reducing crime, reducing crime and increasing quality of life in multifamily communities, expanding community outreach to improve quality of life and reduce crime, providing volunteer and educational opportunities to enhance residential safety, analyzing and implementing tactics to reduce accidents and enhance motorist safety, monitoring effectiveness of red light cameras and evaluating new locations, enhancing the ability of Police, Fire and Municipal Court to perform critical functions, increasing the animal adoption rate, streamlining and improving efficiencies of animal shelter operations, increasing the number of adopted animals that are sterilized, increasing the warrant clearance rate, developing and implementing a comprehensive fire prevention education plan, developing and implementing a comprehensive fire code enforcement plan, enhancing the City's ability to promote disease/injury prevention and encourage healthy living of residents, sustaining emergency units in service and in district, and maximizing staffing resources.

5. DISCUSSION: STRATEGIC GOAL #5 - Promote and Support Diversity in the Community

Mario Molina, Fire Chief presented Goal #5.

Goals for this year focus on conducting outreach activities to increase civic engagement, developing initiatives to encourage citizen involvement, and conducting educational outreach to increase minority and women-owned business participation.

6. DISCUSSION: STRATEGIC GOAL #6 - Promote Effective Communication Among All Members of the Community

- Corporate Communications
- Information Technology

Susan Rose, Community Outreach Manager, presented Goal #6.

Goals for this year focus on increasing promotion of ICTN programming, implementing the new city logo, expanding "voice of customer" opportunities, boosting the city/chamber communication partnership, developing effective communication tools/resident survey, strengthening online services and the city website, expanding social networking opportunities, implementing non-emergency communications for notification, enhancing educational opportunities for city staff, redesigning the *Inside Irving* newsletter, creating a graphics design team to coordinate citywide standards, improving relationships with key media contacts and creating a media spokesperson resource pool, and developing well informed neighborhood association officers.

7. DISCUSSION: STRATEGIC GOAL #7 - Promote Excellence in Irving's Cultural, Recreational and Educational Environments

- Parks and Recreation

- Library Services
- Irving Arts Center
- Museum

Chris Michalski, Parks & Libraries Director, presented Goal #7.

Goals for this year focus on optimizing the number of events, programs and services provided by the Arts Center, optimizing number of programs and services provided by granting program, expanding the use of Art Center facilities, increasing revenues generated by Art Center facility rentals, developing and increasing new revenue generation opportunities, developing library services that engage the various cultures of the community, continuing to expand partnerships between the libraries and recreation, implementing an urban forestry program, restructuring the organization for service delivery and efficiencies to meet the new master plan, developing a comprehensive marketing campaign for current and future library services, expanding program offerings for disabled persons through the creation of new partnerships, planning, designing and implementing construction of new high-quality park improvements, developing plans and identifying funding resources to secure the continuation of Campion Trails and exploring design alternatives for development of a city historic museum.

8. DISCUSSION: STRATEGIC GOAL #8 - Set the Standard for Sound Governance, Fiscal Management, and Sustainability

- Mayor and Council
- City Secretary's Office
- City Manager's Office
- Financial Services
- Customer Service - Water Utilities
- Non-Departmental
- Strategic Resources
- City Attorney's Office
- Information Technology

Sheila Hupp, Management Operations Assistant Director, presented Goal #8.

Goals for this year focus on protecting the City's financial integrity and credit worthiness, promoting transparent open government, enhancing the quality of decision making with legal support and analysis, implementing leading-edge practices for achieving quality and performance excellence, streamlining and improving staff efficiencies through technology, providing strategic management and promoting efficiencies through fleet services, implementing programs to recruit and retain a qualified and diverse workforce, providing learning opportunities and maximizing employee development and leadership, developing and implementing cost containment strategies for employee benefits, ensuring a competitive and comprehensive benefits package, implementing programs to reduce organizational risks, developing partnerships and relationships with other cities and government entities, advancing the city's legislative interests and enhancing governmental relations, and instituting a holistic customer service philosophy throughout the organization.

9. DISCUSSION: STRATEGIC GOAL #9 - Enhance and Sustain Irving's Infrastructure Network

- Capital Improvement Program
- Public Works/Traffic
- Public Works/Water Utilities

Brenda Haney, Solid Waste Services Director, presented Goal #9.

Goals for this year focus on operating, maintaining and replacing infrastructure to ensure safe and clean drinking water, operating, maintaining and replacing infrastructure to minimize unaccounted water, operating, maintaining and replacing infrastructure to ensure good working conditions of the wastewater collection systems, operating, maintaining and replacing infrastructure to ensure Lake Chapman Pumping Facilities are fully operational to meet customers' needs, enhancing and sustaining the transportation system, maintaining a safe and efficient roadway network/TxDOT SH 183 active projects, optimizing utilization of landfill space by obtaining permit amendments, delivering CIP projects on schedule and within initial budget projections, monitoring and facilitating the high quality development of public infrastructure by developers, maintaining city buildings to ensure public welfare through safe and secure facilities, enhancing and improving citywide IT infrastructure and network communications, and enhancing and sustaining drainage systems.

10. DISCUSSION: STRATEGIC GOAL #10 - Become a Successful, Environmentally Sustainable Community

- Solid Waste Services
- Municipal Drainage Utility
- Contracts and Fuel Management

Karen Siddall, Drainage Program Coordinator, presented Goal #10.

Goals for this year focus on reducing the City of Irving's energy consumption, improving Irving's air quality by reducing ozone causing emissions, creating safe routes for bicycles, influencing and managing water use, improving special waste collection operation, identifying alternate recycling truck markings for program enhancement, reviewing current in-house waste reduction practices, providing environmental education opportunities for residents and businesses as well as employees, monitoring Capital Improvement Program projects for compliance, monitoring private development construction projects for compliance, and coordinating power, gas, and telecommunication installations and repairs to avoid service disruptions or conflicts with adjacent utilities and meet each industry's standards.

F. Additional Presentations

1. Housing and Human Services
2. Other presentations as requested

Chris Hooper, Housing & Human Services Director, will present this information at a special meeting to be held Wednesday, August 25, 2010 at 6:00 p.m.

Resolution RES-2010-233 -- Expressing Intent to Increase Tax Revenue by Adopting the Proposed Tax Rate

Mayor Gears indicated he has been keeping a list of things which are considered important to the Council, staff and city, such as ICTN and communication outreach, HHS health study, annual planning conferences for the Planning and Zoning Commission, continuation of the employee recognition ceremony, and maintenance of the employee step plan, etc. Staff originally recommended a proposed total tax rate of .5704. The effective tax rate is .5918. The Mayor suggested a maximum tax rate of .5761.

Motioned by Councilman Philipp, seconded by Councilwoman Cannaday to set the maximum proposed tax rate at .5761.

Motion approved 8-1.

Councilman Gallaway opposed the motion.

RESULT:	ADOPTED [8 TO 1]
MOVER:	Joe Philipp, Councilman
SECONDER:	Rose Cannaday, Councilwoman
AYES:	Gears, Meagher, Patrick, Stopfer, Farris, Philipp, Cannaday, Santoscoy
NAYS:	Mike Gallaway

The meeting was adjourned at 4:27 p.m.

Herbert A. Gears, Mayor

ATTEST:

Shanae Jennings, TRMC
Acting City Secretary