

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

January 24, 2017

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

5:30 PM Executive Session

6:00 PM Work Session

7:30 PM Regular Meeting

Present: Mayor Meier; Mayor Pro Tempore Arfsten; Deputy Mayor Pro Tempore Hughes; Councilmember Duffy; Councilmember Walden; Councilmember Wilcox

Absent: Councilmember Angell

Executive Session

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1. Closed (executive) session of the Addison City Council pursuant to:

Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Tex. Gov. Code, pertaining to

- **Town of Addison v. Landmark Structures I, L.P. and Urban Green Energy Cause No. DC-15-0761 44th Judicial Court, Dallas, County**

Section 551.074, Tex. Gov. Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, pertaining to:

- **Associate Judge Hiring Process**

Council convened into Executive Session at 5:31 pm.

Reconvene from Executive Session

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2. **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

Council reconvened from Executive Session at 6:02 pm.

No action taken.

WORK SESSION

3. Present And Discuss **The Naming And Recognition Elements For The Spruill Dog Park Conversion.**

Director of Parks and Recreation Michael Kashuba presented the item to Council. Mr. Kashuba stated this item was to give Council an overview of the possibilities for recognition items within the new dog park and the funding options for those recognition items.

Council discussed the feasibility of certain sculptures and options in the dog park. Mr. Kashuba spoke about getting as many options into the design portion of the contract preparation. Mr. Kashuba stated the contractors are ready to receive the reports with all the inputs from the three groups (Addison Arbor Foundation, Addison Legacy Foundation and the Dog Park Committee) and get the project moving forward.

Mayor Meier stated he would like to see some type of recognition appropriate for the \$40,000 donation from Post Properties that is different from the other recognition options and something that is more Addison-fitting and reflective of the neighborhood.

Mayor Meier stated staff has the latitude to move forward but find alternatives for the dog silhouettes recognition items discussed and come back to the group for a consensus.

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4. Present And Discuss **The Findings Of The Inwood Road Special Area Study.**

Assistant Director Development Services Charles Goff presented the item to Council. Mr. Goff introduced the consultants working on the project, Joe Pobiner & Barry Hand with Gensler.

Mr. Goff stated the presentation and discussion would consist of the project area, the scope and schedule, the existing Town goals, public input, study findings and Town options.

Mr. Goff and Mr. Pobiner presented the information to Council.

Mr. Goff stated staff needed answers to 5 questions from Council:

1. Has Council heard any additional input that needs to be incorporated into the study findings?
2. Does Council agree with the proposed goals for the study area?
3. Does Council agree with the Character District approach?
4. Are there any elements within those options that Council wishes to include in the final development?
5. What are the next steps Council wishes to take?

Councilmember Duffy asked if the property owners were all involved or aware of the study.

Mr. Goff stated that all were aware and some of the owners participated and some did not.

Councilmember Walden asked how much lease space was vacant at this time.

Mr. Goff stated staff couldn't get a definite number, but it is known that the number is very large in this area.

Deputy Mayor Pro Tempore Hughes asked if the discussion was the first step in a number of discussions and if the decisions needed to evolve or is the discussion a high level discussion to look at all aspects of the study.

Mayor Meier stated staff needed direction at this point.

Mr. Goff stated before the Council decided what to do with the study, staff needed to find out if there was a consensus on the study. He asked if the goals were good and the character districts approach was acceptable. Mr. Goff stated there wasn't an Option A or B, but if there were elements of both that the Council liked, staff could incorporate those into the final plan and vision.

Mr. Pierson stated staff needed answers to the 5 questions listed

and once those answers were given, then Council could decide on future details and how much work is still needed.

Council agreed the main point of connectivity was important in both designs and they wanted to make sure it was incorporated into the final design and vision.

Mr. Pierson asked if Council had received any other feedback from others that should be incorporated into the study findings and final vision of the project.

Mayor Meier stated he had heard from the soccer complex group and they wanted to make sure that they were incorporated into the design in some way.

Mr. Goff stated that staff looked at that option in the early drafts. However, the community input showed it wasn't as high of a priority as staff had thought. Staff agreed it could be a great use and would try to envelope it into the final plan concept.

Mr. Pierson stated as time progresses, if Council received more input from the community, to let staff know and it could be considered in the final plan.

Mayor Meier stated he would like to see something incorporated into the plan that deals with the rail line that operates as a barrier going east. He stated he would also like to incorporate the Master Transportation Plan into this project and have both work together and not in conflict.

Mr. Pierson stated if the area redeveloped like staff hoped, the project is an example of where the Town can take advantage of the Master Transportation Plan and work in those details.

Council agreed with the proposed goals presented (question #2).

Council agreed with the Character District approach for question #3. All agreed it helped to break the big project up into pieces that were easier to plan and visualize.

Council agreed that question #4 would be an ongoing discussion with staff. Council would provide input as quickly as possible to allow the integration into the final plan.

Council agreed to the "proactive" approach outlined in the presentation for question #5.

Mayor Meier stated he hoped staff looked at this project with a framework approach similar to the Vitruvian project. He stated he wouldn't put too much detail into the plan at this point and let it evolve. Mayor Meier stated he would like to see how creative a public-private sector collaboration could be for the project.

Mr. Goff stated the next steps would be to formally adopt the plan and allow additional discussion as needed. The plan would need to be adopted through the Planning & Zoning process since it amends the Comprehensive Land Use Plan. After adoption, staff and Council can discuss how proactive to be and what to do strategically in the coming months.

5. Present And Discuss **Possible Amendments To The Town's Financial Policies.**

Chief Financial Officer Olivia Riley presented the item to Council. Ms. Riley stated the presentation would cover changes to the Town's financial policies that staff is proposing for Council consideration. Once the policies were discussed, ordinances amending the policies with the proposed changes would be presented at a future Council meeting.

Ms. Riley stated that the first item would be to discuss the fund balance policy and establish a reserve policy for fund balance. Ms. Riley stated that the current policy is at 25% for all operating funds. During the budget season, Ms. Riley stated that staff understood the direction from Council was to adjust the General Fund minimum reserve balance to 30% of operating expenditures. Ms. Riley stated that in the Fiscal Year 2017 budget, the General Fund balance was adopted at 28.5% with the intention of increasing it to 30% in the future.

Staff proposed an incremental approach to reach the new 30% requirement being presented. Ms. Riley stated that staff proposed using annual savings from the previous operating year to assist in meeting the 30% requirement. Any additional savings could be allocated by the Council to the Infrastructure Investment Fund or to other projects.

The minimum reserve balance for all other Operational Funds was proposed to stay at the current requirement of 25% and the reserve balance for Special Revenue Funds was proposed to decrease to 10%.

Deputy Mayor Pro Tempore Hughes stated he was under the impression that the General Fund Fund Balance was adopted at 28.5% in order to add additional money to the Infrastructure Investment Fund with the intention of using savings from future fiscal years to raise the General Fund Fund Balance back to 30% and not require a multi-year phased approach. He stated the current 25% reserve requirement is a hard stop and 30% is a target. He asked if the 30% could be done right away without the phased approach.

Ms. Riley asked if the intention was to make the 30% reserve requirement the hard stop and increase the General Fund Fund Balance from 28.5% to 30% right away.

Mayor Pro Tempore Arfsten asked if there would be a change to the policy.

Mayor Meier asked if Deputy Mayor Pro Tempore Hughes recommended no changes to the policy but to have a goal of 30%. Deputy Mayor Pro Tempore Hughes agreed and suggested to use annual savings first to get the Town back to the goal of 30%.

City Manager Wes Pierson clarified that the current policy states that the reserve requirement is 25%. Deputy Mayor Pro Tempore Hughes agreed.

The Council discussed the purpose of the 5% difference between the 25% hard stop and the 30% goal. Mayor Meier stated he thought Council was interested in increasing the hard stop to 30%. Mr. Pierson stated staff felt they received the same direction during the budget season. Mayor Meier also stated he wished to put more money in the Infrastructure Investment Fund but that the Council consensus was to have the additional funds in the General Fund Fund Balance and not dedicated just to the Infrastructure Investment Fund.

Mr. Pierson stated he is comfortable with the current policy which reads that additional funds over the 25% reserve requirement can be used for one-time costs and one-time programs. He stated that staff proposed the phasing option if the Council wanted to increase the reserve requirement to 30% to give more flexibility in balancing operations with achieving the increased reserve requirement.

Mayor Pro Tempore Arfsten agreed with Deputy Mayor Pro Tempore Hughes with no change to the policy and a goal of 30%. Councilmember Walden agreed.

Councilmember Duffy stated he had the same understanding as the Mayor but could live with the current policy.

Councilmember Wilcox stated he is okay with the current policy but is concerned about the Infrastructure Investment Fund.

Mr. Pierson stated that the current policy and 30% goal allows the Council to have the flexibility to add additional dollars to the Infrastructure Investment Fund or towards other projects.

Deputy Mayor Pro Tempore Hughes asked if the audited data would be available in March for the annual savings. Mr. Pierson clarified that the audited numbers will be available in March but that there is a difference between actual audited numbers and budget numbers. Staff has put in a few fail safes: the first is that at the end of the fiscal year, staff will have a general idea of savings generated from revenues and expenditures; the second is in March when staff receives the audited numbers and if the savings are less than budgeted, staff will come back to Council for a budget amendment.

Mr. Pierson stated he received sufficient direction from Council and that staff will continue with the current fund balance policy for operating funds. Staff will budget for a certain percentage, but options will be proposed to Council for one-time expenditures.

Mayor Pro Tempore Arfsten suggested the budget be built around the 30% fund balance goal and use other revenues to achieve the goal allowing savings to be used to for other purposes. Mr. Pierson stated that it could be discussed during the budget process but that it could directly impact service levels.

Ms. Riley then presented the next discussion point on setting the fixed allocation of the maintenance and operation portion of the property tax rate for the Infrastructure Investment Fund at \$0.006201 and the Economic Development Fund at \$0.023716.

Mayor Meier stated that the funding for both the Infrastructure Investment Fund and the Economic Development Fund had been a practice in prior years and this change would add it into the financial policies. Mr. Pierson confirmed.

Council agreed on the change.

Mayor Meier stated he was still concerned that the dedicated amount going to the Infrastructure Investment Fund was too low and

hoped that future Councils would increase this portion of the tax rate.

Ms. Riley presented the next discussion point of memorializing the threshold of projects that could be funded out of the Infrastructure Investment Fund from a practice of \$250,000 to a policy of \$500,000. Deputy Mayor Pro Tempore Hughes stated he questioned the purpose of the fund since a lot of projects in the last budget cycle met the practice of the \$250,000 threshold but that the intent was to build it up. He stated that \$500,000 was a more appropriate threshold for this fund.

Councilmember Wilcox stated the threshold had been set to allow for the hiring consultants to obtain accurate numbers for potentially bond-funded projects. He stated the intent was to find out how much the projects really cost and that the fund would not be built up enough to cover the complete cost of the projects.

Deputy Mayor Pro Tempore Hughes stated that the smaller threshold of \$250,000 would bring forward multiple projects whereas the higher threshold of \$500,000 would limit the amount of projects.

Mr. Pierson stated that the \$250,000 threshold was a practice that was not formalized and the intent of this change was to define and formalize the threshold. He stated that staff would look for funding elsewhere for projects that are less than \$500,000. If other options were not identified, staff would bring it to Council for discussion and consideration.

Council agreed to formalize the threshold at \$500,000 for projects funded out of the Infrastructure Investment Fund.

Ms. Riley presented the next discussion point of amending the Capital Equipment policy of equipment that have a cost of \$5,000 or more from a useful life of one year to a useful life of three years. She stated that this is a best practice.

Council agreed with the change.

Ms. Riley presented the next discussion point of establishing a policy for Capital Improvements for any improvement that have a cost of \$25,000 or more and a useful life of at least 10 years. She stated that this is a best practice.

Council agreed with the change.

Ms. Riley presented the next discussion point of establishing a policy for Uncollectible Debt for the General Fund. Staff proposed that as of October 31, the CFO will review the uncollected debt and verify that staff has exhausted all means to collect it. The CFO would then be allowed to write off debt up to \$5,000, the City Manager could write off debt up to \$25,000, and debt over \$25,000 would go to Council for consideration. Examples of these types of debt would be false alarm and ambulance fees.

Council agreed with the change.

Ms. Riley presented the next discussion point of amending the Uncollectible Debt policy for the Utility Fund to match the proposed Uncollectible Debt for the General Fund.

Council agreed with the change.

An ordinance with all of the changes would follow at a future meeting.

REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Public Comment.

The City Council invites citizens to address the City Council on any topic not on this agenda. Please fill out a **City Council Appearance Card** and submit it to a city staff member prior to Public Participation. Speakers are allowed **up to three (3) minutes per speaker** with **fifteen (15) total minutes** on items of interest or concern and not on items that are on the current agenda. In accordance with the Texas Open Meetings Act, the City Council cannot take action on items not listed on the agenda. The Council may choose to place the item on a future agenda.

The Mayor requested that the Council agree to allow all six speakers instead of the 5 maximum as allowed in the guidelines to speak. Council agreed.

Mary Carpenter, 4006 Winter Park, spoke regarding her disapproval of allowing more apartments to be built in Addison. She also read a statement on behalf of another citizen.

Sheila Barkofske, 4130 Proton #26B, spoke regarding employee retention and benefits provided to Addison employees.

Tarea Doty, 4144 Towne Green Circle, spoke against the removal of the easement playground equipment.

Bianca Noble, 4008 Bobbin, spoke against the removal of the easement playground equipment.

Dawn Webb, 3820 Canot Lane, spoke against the removal of the easement playground equipment.

Allan Wood, 14790 Lochinvar Court, spoke regarding the recently passed Housing Policy amendments.

Consent Agenda:

All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.

Mayor Pro Tempore Arfsten moved to approve items 7-11 as submitted. Councilmember Duffy seconded the motion.

Deputy Mayor Pro Tempore Hughes stated he would like to make an edit to Item #10.

Mayor Pro Tempore Arfsten amended the motion to approve items 7-9 & 11. Councilmember Duffy seconded the amended motion. The vote was cast 6-0 in favor of the motion. Councilmember Angell was absent.

Deputy Mayor Pro Tempore Hughes stated that Item #10 needed to be revised to state that the Early Voting was April 28 through May 2, not May 1, 2017. Council agreed with the revision.

Deputy Mayor Pro Tempore Hughes moved approval of Item #10 with the revision to the Early Voting date. Councilmember Wilcox seconded the motion. The vote was cast 6-0 in favor of the motion. Councilmember Angell was absent.

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7. Consider Action To Approve The Meeting Minutes Of The January 5, 2017 Executive Session And The January 10, 2017 Regular Council Meeting.

 8. Consider Action On A Resolution To Approve An Agreement Between The Town Of Addison And Garver LLC For Airport On-Call Engineering Services And Authorize The City Manager To Execute The Agreement In An Amount Not To Exceed \$100,000.

 9. Consider Action On A Resolution To Approve An Agreement Between The Town Of Addison And ADS Importing, LLC DBA ADS US Sport Aircraft For The Renewal Of The Conventional Hangar Lease At 4700 Airport Parkway And Authorize The City Manager To Execute The Agreement To A Term Expiring On July 31, 2018.

 10. Consider Action On An Ordinance Ordering An Election On May 6, 2017 For The Purpose Of Electing Three (3) Council Members And One (1) Mayor For Two (2) Year Terms Each.

 11. Consider Action On A Resolution To Approve An Economic Development Program Grant Agreement With Stream Gas & Electric, Ltd And Authorize The City Manager To Execute The Agreement.
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Regular Items

12. Present, Discuss, And Consider Action On A Resolution To Approve An Agreement Between The Town Of Addison And Kimley-Horn, Inc., And Associates For Services Related To The Town Of Addison's Americans With Disabilities Act (ADA) Self-Evaluation And Transition Plan And Authorize The City Manager To Execute The Agreement In The Amount Not To Exceed \$338,000.

Director of Infrastructure and Development Services Lisa Pyles presented the item to Council. Ms. Pyles stated this item would start the process for the Town to become ADA compliant in all facilities.

Mayor Meier asked if it is correct that the implementation of the plan

could cost more on a yearly basis.

Ms. Pyles stated that the self-evaluation would identify gaps where the Town is out of compliance and give a listing of what the Town would need to do to address the identified issues. The funding for the gaps would be included in the budget in the coming years. Each year would have a funding amount to cover certain aspects of the self-evaluation findings. Staff would bring a plan for a multi-year proposal to fund the projects needed.

Deputy Mayor Pro Tempore Hughes asked how long it would take to complete the self-evaluation and Transition Plan.

Ms. Pyles stated that this effort would take approximately 12 months to complete.

Deputy Mayor Pro Tempore Hughes moved to approve Item #12 as submitted. Councilmember Duffy seconded the motion. The vote was cast 6-0 in favor of the motion. Councilmember Angell was absent.

13. Present And Discuss **An Update On Pay For Performance Increases.**

Human Resources Director Passion Hayes, presented the item to Council. Ms. Hayes stated the presentation would provide the Council an update on the pay for performance increases budgeted in the Fiscal Year 2017 budget. In the Fiscal Year 2017 budget, \$825,700 was included for pay for performance increases, and an additional \$190,000 was included to conduct and implement the results of a Certification Pay Study. Staff expected the study to be complete in Spring of 2017.

Ms. Hayes gave a summary of the compensation history for the Town from Fiscal Year 2009 to Fiscal Year 2016. Ms. Hayes gave a breakdown of the number of employees and the percentage of increase received with the budgeted funds.

Ms. Hayes also reviewed the work of the Performance Review Committee and their current status. Ms. Hayes gave a summary of the total compensation package including benefits.

Deputy Mayor Pro Tempore Hughes requested information in the future regarding the retirement benefits available to employees and how it compared to other cities.

Mayor Pro Tempore Arfsten asked if the tuition reimbursement benefit was still at 50% level and if that was comparable to other cities.

Ms. Hayes stated the level was at 50% for the Town and staff would have to get updated comparison information from the other municipalities. Ms. Hayes stated the last time staff looked the benefit was at 50%-100% with a capped amount for an employee.

Mayor Meier stated he believed this presentation helped to set the stage for the Fiscal Year 2018 budget discussions. Mayor Meier stated he hoped that the next Council would continue the progress made in the last years to bridge the gap in compensation. Mayor Meier stated he hoped the improvements would continue with other benefits not only compensation.

Deputy Mayor Pro Tempore Hughes asked the City Manager if with the new salary increases implemented, if the Town had issues filling positions with the salaries provided.

City Manager Wes Pierson stated staff is able to hire within the range but not able to hire on the lower end of the range. The newer hires may come in more in the middle of the range. Mr. Pierson stated the best way to address the issue is to do a complete compensation study. The last study was done in 2013 and the timing was right to look at it again.

Council thanked staff for the presentation.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Mayor-Todd Meier

Attest:

City Secretary-Laura Bell