

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

June 14, 2022

**5:30 p.m. Executive Session & Work Session
7:30 p.m. Regular Meeting**

**Addison TreeHouse
14681 Midway Rd., Addison, TX 75001**

The Addison City Council conducted its Regular Council Meeting on Tuesday, June 14, 2022, 2021, at the Addison TreeHouse with a quorum of the City Council physically present. Limited seating for members of the public was available. Interested parties were able to make public comments and address the Council via emailed comments submitted to the City Secretary at iparker@addisontx.gov by 3:00 pm on the meeting day. The meeting was live streamed on Addison's website at www.addisontexas.net

Present: Mayor Joe Chow; Mayor Pro Tempore Kathryn Wheeler; Deputy Mayor Pro Tempore Lori Ward; Council Member Tom Braun; Council Member Darren Gardner; Council Member Guillermo Quintanilla; Council Member Eileen Resnik

Call Meeting to Order: Mayor Chow called the meeting to order.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance

EXECUTIVE SESSION

Closed (Executive) Session of the Addison City Council pursuant to:

- **Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney pertaining to:**
 - Bigelow Arizona TX-344, Limited Partnership D/B/A Suites of America and/or Budget Suites of America v. Town of Addison, Cause No. DC-19-09630, 191st Judicial District, Dallas County District Court.
 - G J Seeding, LLC v. FNH Construction, LLC and Hudson Insurance Company, Cause No. DC-20-11409, 134th Judicial District, Dallas County, Texas.
- **Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate,**

stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects:

- Project Fuel;
- Addison Hangars, LLC Redevelopment Opportunity;
- Sky Square, LLC Ground Lease;
- AQRD-REP, LLC Ground Lease; and
- Scarborough I Airport, LP Ground Lease.

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.

Mayor Chow reconvened the City Council into Open Session at 6:41 p.m.

No action was taken as a result of Executive Session at this time. Mayor Chow advised all items posted for the Executive Session were not all discussed and/or presented. Council will reconvene at the end of the Regular Agenda items to address the remainder of Executive Session items.

WORK SESSION

1. Present and Discuss Council Liaison Opportunities and Appointments.

City Secretary Irma Parker reviewed that historically, liaison assignments have been divided among Council Members after the May election. These assignments are intended to provide a greater depth of understanding about the technical nature of certain community features, issues, or programs such as the Arbor Foundation and the WaterTower Theatre Centre. Once assigned, liaisons report back to the City Council with status reports regarding various projects and initiatives. Formal action on liaison assignments is planned for the June 28, 2022 City Council meeting. Ms. Parker provided a copy of the June 2021 - May 2022 appointments and descriptions for Council review and information.

Mayor Chow discussed the following assignments with Council Members:

- Mayor Chow Metrocrest Mayors Association
- Mayor Pro Tempore Wheeler Metrocrest Chamber of Commerce
- Deputy Mayor Pro-Tempore Ward World Affairs Council of Dallas/Fort Worth
- Council Member Braun Water Tower Theatre
- Council Member Resnik Addison Arbor Foundation
- Council Member Quintanilla North Dallas Chamber and
Regional Transportation Council/North Central
Texas Council of Governments
- Council Member Gardner North Texas Commission (tentative)

City Manager Pierson will contact the North Texas Commission to discuss the possibility of Council Member Darren Gardner serving on the North Texas Commission board of directors.

2. Present and Discuss the Recently Updated Residential Commercial Vehicle Parking Ordinance.

Police Chief Paul Spencer presented this item. He reviewed that in late 2021 the Town had received an increasing number of resident concerns about the parking of commercial vehicles in residential areas. At the December 14, 2021 Work Session, Council provided staff with direction to make amendments to the applicable parking ordinance. Council passed the ordinance amendments on January 11, 2022.

On March 8, 2022, staff presented to Council an example of the feedback on our enforcement efforts and received direction to further research policy and ordinance alternatives. Specifically, how other municipalities deal with residential commercial vehicle parking issues and specifics of their ordinances (i.e., restrictions, enforcement criteria, etc.) He reviewed his findings.

An Alternative Enforcement Criteria map reflecting the restricted areas for commercial vehicle parking was discussed. Development Services Director Ken Schmidt offered his comments and noted that enforcement of parking in mixed use areas is more complex.

Chief Spencer provided an overview of the current ordinance: Section 78-175. - Overnight parking of certain vehicles within residential areas prohibited. Issues experienced with the current ordinance were provided. He also provided proposed draft revisions to the ordinance and requested Council feedback on: the allowable length of a vehicle being 23 feet or 25 feet and inclusion of new language for “Personal Business Vehicle” versus the current definition of “Commercial Vehicle”.

Council’s consensus on vehicle length is to allow vehicles as long as 25 feet, and advised they are okay with the Personal Business Vehicle language.

Chief Spencer noted that an additional future discussion regarding commercially zoned properties and mixed-use properties is needed.

3. Present and Discuss an Update of the Financial Plan and Rate Model for Water and Sewer Utility Rates.

Steven Glickman, Chief Financial Officer, presented this item along with consultant Justin Rasor with Raftelis Financial Consultants, Inc. (RFC). Mr. Glickman reviewed that the Town's current utility rate model extends through Fiscal Year 2023. The Town hired utility rate consultant, Raftelis Financial Consultants, Inc. (RFC), to update and extend the rate model through Fiscal Year 2028. The rate model update was conducted according to the policy adopted by Council in 2018 to include a mix of cash and bond funded capital projects, to maintain a fund balance of at least 25%, and provide systematic rate increases.

Mr. Rasor provided an overview of the planning process utilized to forecast efficiency of future utility rates. Operations and capital improvement expenses were considered, as well as the Town's utility financial plan. Mr. Rasor presented his findings and recommendations for the utility rate increases beginning in Fiscal Year (FY) 2024.

In response to Mayor Chow's question, Mr. Glickman clarified that FY 2023 is the last year of the current model and it has a 5 percent increase proposed. This updated model would begin in FY 2024 with 5.5 percent increase per year through FY 2026. For FY 2027 a 4 percent increase is recommended and in FY 2028 a 3.5 percent increase is recommended. Discussion followed as to how utility debt payments affect the proposed rates. Comparison of Addison rates to other neighboring cities was discussed.

In response to Councilmember Quintanilla's question, Mr. Pierson advised that the capital improvement projects include \$8.4 million for water infrastructure, \$2.4 million for sewer infrastructure, and \$200,000 for the pump station.

Mayor Chow commented that utility revenues must cover operations and maintenance, as well as the purchase and availability of water from Dallas Water Utilities.

Council provided direction to proceed with a resolution adopting this new plan.

REGULAR MEETING

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 matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

City Secretary Parker advised one individual was present to speak and another had submitted emailed comments. Curtis Redmond of Dallas was present and expressed his concerns and questions about a letter he received from Town staff regarding a previous bid. Ms. Parker read the email from Waterford Park resident Steve Punch who expressed concern over his street where garbage receptacles are being placed outside of the required timeframe.

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.*

4. Consider Action on the Minutes from the April 26, 2022 City Council Meeting.

5. Consider Action on the Minutes from the May 16, 2022 City Council Special Meeting.
6. Consider Action on the Minutes from the May 31, 2022 City Council Special Meeting.
7. Consider Action on Change Order #3 to the Contract with Jim Bowman Construction Company LP, for Concrete and Asphalt Repairs and Authorize the City Manager to Execute the Change Order in an Amount Not to Exceed \$350,000.
8. Consider Action on a Resolution Approving Three (3) Agreements for On-Call Emergency Debris Hauling Services with CrowderGulf, LLC. Serving as the Primary Vendor and T.F.R. Enterprises, Inc., and DRC Emergency Services, LLC, Respectively, Serving as Alternate Vendors for the Town and Authorizing the City Manager to Execute the Agreements.
9. Consider Action on a Resolution Approving an Agreement with Nu-Way Construction, LLC. for the Construction of Sanitary Sewer & Water Improvements - Vitruvian Park Public Infrastructure Phase 9, Block 701 Project and Authorizing the City Manager to Execute the Agreement in an Amount Not to Exceed \$694,970.50.

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion.

Council Member Gardner requested Item 7 be pulled.

MOTION: Deputy Mayor Pro Tempore Ward moved to approve Consent Agenda Items 4, 5, 6, 8, and 9 as submitted. Mayor Pro Tempore Wheeler seconded the motion. Motion carried unanimously.

***** Consent Item 7 *****

Council Member Gardner advised he previously submitted a question to City Manager Pierson on this item and requested Mr. Pierson provide the response. In summary, Mr. Pierson advised that as part of the condition assessment for Addison Road it was previously graded as “fair”. During the inspection of Addison Road immediately prior to the beginning of construction, it was found that significantly more failures had developed in the past year since the budgeting process. Change Order #3 will address the failures that have developed in the past year.

MOTION: Council Member Gardner moved to approve Consent Agenda Item 7. Council Member Braun seconded the motion. Motion carried unanimously.

Resolution No. R22-026: Agreements for Emergency Debris Hauling Services

Resolution No. R22-027: Agreement with Nu-Way Construction, LLC for Vitruvian Park Public Infrastructure Phase 9

Regular Items

10. Present, Discuss, and Consider Action on a Resolution to Accept the City Manager's Resignation, Authorize a National Search for a New City Manager and Appoint an Interim City Manager.

City Manager Wes Pierson recommended that the Council meet in Executive Session to discuss the proposed resolution and more specifically the compensation for the Interim City Manager. Mayor Chow deferred this item until Executive Session later in the meeting.

11. Present, Discuss, and Consider Action on a Resolution Re-Appointing Gary Slagel to a Two-Year Term on the Dallas Area Rapid Transit (DART) Board of Directors.

City Secretary Parker advised that the Towns of Addison and Highland Park and the Cities of University Park and Richardson share a representative on the Dallas Area Rapid Transit (DART) Board of Directors. Mr. Gary Slagel is currently serving in this role with his term expiring on June 30, 2022. All four municipalities have expressed a desire to re-appoint Mr. Slagel for another two-year term to expire in June 2024. It was noted that Mr. Slagel served as the Mayor of Richardson for several years.

Mayor Chow spoke in favor of this appointment.

MOTION: Mayor Chow personally wanted to re-appoint Gary Slagel. Council Member Braun seconded the motion. Motion carried unanimously.

Resolution No. R22-028: Re-appoint Gary Slagel to DART Board of Directors

12. Present, Discuss, and Consider Action on a Resolution Approving an Agreement with Westra Consultants for Professional Engineering Services for the Les Lacs Pond Improvements Project and Authorizing the City Manager to Execute the Agreement in an Amount Not to Exceed \$736,100.

Janna Tidwell, Director of Parks and Recreation, presented this item. She reviewed that in 2016 and 2017, staff made presentations to Council regarding the failing pond edge and life expectancy of the existing pond liner at Les Lacs Pond. On May 23, 2017 Council approved a contract with Westra Consultants, Inc. in the amount of \$56,730 to begin the development of schematic level design solutions for a base and an enhanced project, and to facilitate stakeholder involvement for Les Lacs Pond. Westra's scope also included the development of an opinion of probable cost for each design option.

Westra Consultants developed a base project which recommended the minimum work that would need to be completed to replace the pond liner, address the failing pond edge, address American Disability Act (ADA) issues and correct erosion/maintenance concerns. The consultant also developed an enhanced project which included various amenities. The purpose of the enhanced option was to help facilitate public input and identify which elements were preferred by the community. To help capture this information staff developed an online web portal called "Imagine

Addison." This portal allowed residents to build their own project by adding proposed enhancements for the pond edge condition, planting style, interactive elements, site improvement elements, environmental elements, and aesthetic improvements to the base project. As participants built their own project the project budget would adjust to include their selections.

Staff used the community's preferences for amenities gathered in Imagine Addison to present a recommended project to the 2019 Bond Election Committee. The committee recommended including the project in Proposition C in the 2019 Bond Election which was approved by voters in November of that year. The recommended project included the base project, a combination lake edge, landscape beds, a rain garden, retaining walls, fountain lights and tree up-lights which was originally estimated to be \$3,146,251 in 2018. Staff presented the item to the bond election committee in an amount of \$3,282,110 to account for anticipated inflation for the project. Professional Services such as consultant fees for completion of schematic design and construction documents, topographic and bathymetric survey, environmental and drainage analysis, construction phase assistance and construction materials testing were also included in the costs estimates and bond funds requested.

Due to increasing construction costs, staff recently asked Westra to look at the Opinion of Probable cost that was prepared in 2018 and asked them to make updates to reflect current construction prices that are being experienced in the region. This resulted in an approximate 18% increase. A breakdown of these costs was reviewed. To address the budget concerns staff is recommending a base bid project and alternate bid items be developed in the plans to provide decision making flexibility once bids are received. Ms. Tidwell added that the design will take approximately one year, and the construction is expected to take one year.

The proposed agreement with Westra Consultants is for the completion of the schematic design and construction documents, topographic and bathymetric survey, environmental and drainage analysis, bidding and construction phase assistance and construction materials testing.

Ms. Tidwell responded to a question from Council Member Resnik on whether a retaining wall will help to correct water that might get underneath the new liner. She advised that the reduced slope of the soil between the retaining wall and the pond will help to alleviate the water seepage underneath the liner, and the new liner will have a different installation. Ms. Tidwell also advised that the environmental and drainage analysis is needed to assess the sediment currently in the pond so that contractors may appropriately bid the project. A new design for the drainage inlet will be included to help deter the ducks from accessing the drainage inlet. Ms. Tidwell advised that in the meantime, Parks staff will provide netting over the inlet that will still allow for drainage.

Ms. Tidwell advised that the residents will be kept informed of the activities that might affect them at the pond and surrounding area. She described the sediment removal process and advised that as much as possible the area will be screened from view. She noted there may be some odor around the site. City Manager Pierson added that the Town will communicate with residents throughout the process and mitigate the disruption as much as possible.

MOTION: Council Member Gardner moved to approve. Deputy Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously.

Resolution No. R22-030: Agreement with Westra Consultants for Professional Engineering Services for the Les Lacs Pond

13. Present, Discuss, and Consider Action on a Resolution Authorizing Publication of Notice of Intention to Issue Town of Addison, Texas Certificates of Obligation, Series 2022 and Providing an Effective Date.

Steven Glickman, Chief Financial Officer, presented this item. He advised that the Resolution as presented includes a typo that will be corrected. Specifically, Roman numeral VI. should say III.

Mr. Glickman advised that this resolution authorizes the publication of the Town's intention to issue Certificates of Obligation in an amount not to exceed \$13 million for streets, infrastructure and issuance costs related to the reconstruction of Midway Road and water and sewer utility improvement projects.

Mr. Glickman reviewed that on November 13, 2018, the City Council directed the City Manager to pursue issuing Certificates of Obligation to fund a portion of the budgeted \$41 million reconstruction of Midway Road. In 2012 voters approved \$16 million in funding for this reconstruction project. The Town issued \$15 million in Certificates of Obligations in 2019 for the purpose of reconstructing Midway Road with a \$10 million issuance of Certificates of Obligations included in this proposed issuance. This will complete the Certificate of Obligation issuances for the Midway Road Project. This project will be supported by property tax revenue. Mr. Glickman advised that the Certificates of Obligation will have a 20-year term with an estimated annual payment of \$730,000.

Mr. Glickman advised also that the Town will be issuing \$3 million in Certificates of Obligation for the purpose of funding planned capital improvements projects related to water and sewer utility improvements over the next two to three years including: Lake Forest Drive Utility Improvements, Surveyor Pump Station Electrical Upgrades, and Beltway Drive/Belt Line Road Water Main Replacement. These projects will be supported by Utility Fund revenues. The Certificates of Obligation will have a 20-year term with an estimated annual payment of \$220,000 and an estimated interest rate of 3.95 percent.

Mr. Glickman reviewed the timeline for the issuance, advising that the sale should occur on August 9, 2022 with bond proceeds to be received on September 7, 2022.

MOTION: Council Member Braun moved to approve. Mayor Pro Tempore Wheeler seconded the motion. Motion carried unanimously.

Resolution No. R22-031: Notice of Intention to Issue Certificates of Obligation, Series 2022

14. Present and Discuss an Update on the 2022 Addison Kaboom Town!

Yessenia Saldivar, Special Events Supervisor, presented this item. She advised that this year, Addison Kaboom Town! will be held Sunday, July 3rd from 5 p.m. to 11 p.m. Tickets are free, however, tickets are required and will be available on-line. They are also available with the purchase of a hotel package. The festival will be held at Addison Circle Park.

Ms. Saldivar reviewed the entertainment, food and beverages, and other attractions planned for the event. A new event for this year is a Caliber Auto Care Splash Zone with the purchase of a \$15 unlimited use wristband. A VIP area will be available. The Addison Airport Airshow will begin at 7:30 p.m. and the fireworks will begin at approximately 9:30 p.m.

Discussion followed regarding expected attendance.

EXECUTIVE SESSION

Mayor Chow advised that at this time the Council will convene a Closed Executive Session to discuss items previously postponed pursuant to:

- **Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney pertaining to:** Bigelow Arizona TX-344, Limited Partnership D/B/A Suites of America and/or Budget Suites of America v. Town of Addison, Cause No. DC-19-09630, 191st Judicial District, Dallas County District Court; and G J Seeding, LLC v. FNH Construction, LLC and Hudson Insurance Company, Cause No. DC-20-11409, 134th Judicial District, Dallas County, Texas.
- **Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects:** Project Fuel; Addison Hangars, LLC Redevelopment Opportunity; Sky Square, LLC Ground Lease; AQRD-REP, LLC Ground Lease; and Scarborough I Airport, LP Ground Lease.
- **Section 551.074, Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:** Interim City Manager Compensation

Mayor Chow closed the Open Session to convene the City Council into Closed Executive Session at 8:41 p.m.

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.

Mayor Chow reconvened the City Council into Open Session at 10:32 p.m. Mayor Chow advised no action would be taken on Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney pertaining to Bigelow Arizona TX-344, Limited Partnership D/B/A Suites of America and/or Budget Suites of America v. Town of Addison, Cause No. DC-19-09630, 191st Judicial District, Dallas County District Court; and G J Seeding, LLC v. FNH Construction, LLC and Hudson Insurance Company, Cause No. DC-20-11409, 134th Judicial District, Dallas County, Texas; and Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information Project Fuel, Addison Hangars, LLC Redevelopment Opportunity, Sky Square, LLC Ground Lease, AQRD-REP, LLC Ground Lease and Scarborough I Airport, LP Ground Lease.

Mayor Chow called for any action regarding Section 551.074, Texas Government Code, to deliberate the Interim City Manager Compensation.

MOTION: Deputy Mayor Pro Tempore Ward moved to approve the resolution accepting City Manager Wes Pierson’s resignation, authorizing a national search firm be contracted with for a replacement, and the appointment of Hamid Khaleghipour as Interim City Manager contingent upon an employment agreement. Council Member Braun seconded the motion. Motion carried unanimously.

Resolution No. R22-028: Acceptance of City Manager Wes Pierson’s Resignation and Appointing Hamid Khaleghipour as Interim City Manager

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary