

**PLANO CITY COUNCIL
OPEN MEETING
July 30, 2014**

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Lissa Smith, Mayor Pro Tem
Pat Miner
André Davidson
Patrick Gallagher
David Downs

COUNCIL MEMBERS ABSENT

Ben Harris, Deputy Mayor Pro Tem
Jim Duggan

STAFF PRESENT

Bruce Glasscock, City Manager
Frank Turner, Deputy City Manager
LaShon Ross, Deputy City Manager
Jim Parrish, Deputy City Manager
Mark Israelson, Assistant City Manager
Victoria Huynh, Deputy City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere called the meeting to order at 5:00 p.m., Wednesday, July 30, 2014, in Training Room A of the Municipal Center, 1520 K Avenue. A quorum was present. Mayor LaRosiliere then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated to receive information regarding Economic Development, Section 551.087 for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor LaRosiliere reconvened the meeting back into the Preliminary Open Meeting at 6:15 p.m. in the Senator Florence Shapiro Council Chambers.

Consideration and action resulting from Executive Session

No items were brought forward.

Overview of 2013-14 Budget & Community Investment Program (CIP) (Agenda Item II)

City Manager Glasscock presented a video overview of the budget.

Presentation of the 2014-2015 Recommended Budget and Community Investment Program (CIP) (Agenda Item III)

Budget and Research Director Rhodes-Whitley spoke to the focus of the budget includes maintaining quality services, enhancement of public safety programs, addressing capital project backlog, enhancements to the infrastructure maintenance programs, investment in our workforce, and ensuring the Economic Development fund is adequately funded. She advised the recommended budget reflects a tax rate of \$.4886 per \$100 of assessed valuation, \$.02 of property tax dedicated to Economic development, provides a 3% across the board salary increase for all employees, no increase to the employer paid health care insurance premiums, a \$5 million increase to the transfer to the Capital Reserve Fund, and an additional net 39 full-time positions and net 3 part-time positions.

Budget Presentation (Agenda Item IV)

Budget and Research Director Rhodes-Whitley spoke to combined 2014-2015 budget resources of \$504,975,339 with a general fund revenue breakdown of 41% property tax, 27.5% sales tax, and 31.55% from other revenue sources. She stated the assessed property value of \$28.8 billion is 49.6% residential and 50.4% commercial properties. Ms. Rhodes-Whitley discussed the residential tax exemptions and \$30.8 million revenue loss due to the exemptions. She spoke to the anticipated sales tax receipts and building and development revenue.

Ms. Rhodes-Whitley stated combined 2014-2015 budget expenses were \$468,586,163 with Public Safety and Health making up 47.9% of the overall General Fund Expenditures of \$260,320,103. She spoke to key budget highlights of Oak Point Park Nature and Retreat Center, Police evidence area expansions, Fire Station expansion, increased public safety personnel, and radio system expansion. Ms. Rhodes-Whitley reported water rates would be increased to offset the rate increase from North Texas Municipal Water District and the rate for usage in excess of 30,000 gallons per month would be increased to \$7.50 per 1,000 gallons. Ms. Rhodes-Whitley advised the Municipal Drainage fund has a planned 10% residential rate decrease due to projects not coming to fruition. She stated the Water and Sewer fund and Municipal Drainage fund would be discussed further at the August 16th work session. Ms. Rhodes-Whitley reviewed the budget calendar and advised that information will be posted to the City's website.

Tax Rate Presentation (Agenda Item V)

Budget and Research Director Rhodes-Whitley stated the proposed tax rate is set at \$.4886 with a vote scheduled at the August 11, 2014 meeting in accordance with Truth-in-Taxation laws. She spoke to the effective tax rate and the rollback tax rate and stated the proposed tax rate exceeds the rollback rate. Ms. Rhodes-Whitley provided a history of the tax rate exceeding the rollback rate and schedule of key dates related to adopting the tax rate.

Updated Financial Forecast (Agenda Item VI)

a. General Fund

Budget and Research Director Rhodes-Whitley presented the Three-Year Financial Forecast. She stated City Manager Glasscock requested all departments to anticipate future needs and if all needs are funded an additional \$10 million would be needed for 2015-2016 and \$3.3 million in 2016-2017. City Manager Glasscock stated this was a statement of major department needs to create a working document for the future. In response to Council, Ms. Rhodes-Whitley stated the increase in future revenue stems from the new growth being added to the appraisal roll and the 30 days on reserves is a minimum goal.

b. Water & Sewer

Budget and Research Director Rhodes-Whitley spoke to the Water and Sewer Fund being addressed at the August 16th work session and the number of days in reserves being at 35 with a goal of 45 days and optimally 60 days. She stated this year the City will be using \$2 million from reserves to help offset the \$12.5 million in lost revenue due to the water restrictions.

Discussion and direction regarding Litter Program – Public Drainage and Creeks (Agenda Item VII)

Director of Public Works Cosgrove spoke to the background, scope, and assessment process stating the total creeks equal 189 miles with difficult and hazardous access. He advised the process is labor intensive, taking 302 working days to complete one complete cycle of clean-up at a cost of approximately \$1,042,165. Mr. Cosgrove stated it is a regional issue and would require continual clean-up. City Manager Glasscock stated the Council would need to determine the investment versus the impact of the project. The City Council directed staff not to proceed with the project.

Discussion and direction regarding Parks Recycling Program & Litter Contract (Agenda Item VIII)

Director of Parks and Recreation Fortenberry spoke to the background, challenges and the proposed Parks Recycling Program decision package for the City Council to consider. She advised the pilot program would cost an estimated \$75,000 for dumpsters, compactors, screening, and recycling receptacles to be placed at several of the athletic fields that generate a high volume of recyclables. Ms. Fortenberry stated if the pilot program was successful, the annual cost for all park facilities would be approximately \$250,000 annually, a portion of which could be offset by grant opportunities and lower costs in regular trash collection. The City Council directed staff to include the pilot program in the 2014-2015 Budget.

Nothing further was discussed. Mayor LaRosiliere adjourned the meeting at 7:23 p.m.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, City Secretary