

**PLANO CITY COUNCIL
NEIGHBORHOOD ROUNDTABLE
DISTRICT FOUR
SEPTEMBER 10, 2009**

COUNCIL MEMBERS

Phil Dyer, Mayor
Harry LaRosiliere, Mayor Pro Tem
Lee Dunlap, Deputy Mayor Pro Tem
Pat Miner
Ben Harris
Mabrie Jackson
Lissa Smith
Jean Callison

STAFF

Thomas H. Muehlenbeck, City Manager
Frank Turner, Deputy City Manager
Bruce Glasscock, Deputy City Manager
Rod Hogan, Deputy City Manager
Mark Israelson, Assistant City Manager
LaShon Ross, Assistant City Manager
Diane C. Wetherbee, City Attorney
Diane Zucco, City Secretary

The Plano City Council met informally at 7:13 p.m., Thursday, September 10, 2009, at Plano Sports Authority StarCenter, 6500 Preston Meadow, Plano, Texas. All Council Members were present with the exception of Mayor Pro Tem LaRosiliere and Council Member Miner. Mayor Dyer welcomed those in attendance and introduced Council and Staff. He spoke regarding the structure of the Council where all members represent citizens across the City and advised that the over-65 tax freeze cannot be discontinued.

**Community Investment Project (CIP) Projects and Street Repairs/Improvements/Resurfacing
– District 4**

Director of Public Works and Engineering Upchurch spoke to intersection improvements at Spring Creek Parkway/Coit Road, Park Boulevard/Custer Road, and Parkhaven/Independence Parkway; corridor improvements along Park Boulevard, Parker Road, Independence Parkway and Spring Creek Parkway; alley reconstructions; reconstruction on Westwood Drive; water line replacements; repainting of the Coit Road elevated water tank; culvert improvements along Cross Bend Road; improvements on Independence Parkway and Custer Road from SH 190 to SH 121, current residential repairs in the area bounded by Park Boulevard/Parker Road/Coit Road/Independence Parkway installation of uninterrupted power sources at intersection signals; remote-control school flashers; construction of Fire Station #12; renovation of Fire Station #4 and construction of the Environmental Education Building.

He advised that the specifications for park sidewalks are the same as those for roadways; advised that he would look into the use of herbicide along the creek behind Deep Valley trail; spoke to the design changes in screening walls and to repair of the walls being more costly than replacement; and adjustments made to sidewalks during repair to address uneven areas. A citizen thanked the City for pothole repair on Custer Road and Mr. Upchurch advised that Staff will review light timing on southbound Custer Road at Plano Parkway. He responded to a citizen, advising that due to insurance, there will not be additional costs for Fire Station #12 and advised it will include an Emergency Operations Center and storage area.

Mayor Dyer opened the floor for general questions. Director of Property Standards O'Banner advised that vehicles parked on the street are under police jurisdiction and those on property under Property Standards. She spoke to review of inspection/registration information and whether the vehicle is operable. Ms. O'Banner advised that the City has reviewed the establishment of a maximum number on the number of vehicles per residence, but that it would be very difficult to enforce. A citizen thanked the City for the clean-up efforts following spring storms. Deputy City Manager Glasscock advised that a new state law prohibits the use of wireless devices within posted school zones with some exceptions and that each zone must be posted. He spoke to the cost of signage at \$80,000 with six months before implementation and to Council review of overall driver distraction resulting in deferral to the state level. City Attorney Wetherbee addressed concerns related to unauthorized papers being thrown on residents' property advising that a sign should be posted on property to begin any complaint process.

FY 2009-10 Budget Presentation and FY 2009-10 Community Investment Program (CIP) Presentation

Director of Budget and Research Karen Rhodes-Whitley spoke regarding the combined budget expenditures by service areas totaling \$405.5 million and including Water & Sewer (27.9%), Public Safety (25.2%), General Government (14.5%), Debt Service (10.5%), Parks and Recreation (8.4%) Sustainability/Environmental Services (5.4%), Public Works (2.9%) and Development (2.7%). She spoke to the bond referendum vote and debt resulting from sale and referred to the "take or pay" contract with the North Texas Municipal Water District. Ms. Rhodes-Whitley spoke to anticipation of a \$13 million budget deficit during discussions in 2007, creation of the Core Business Matrix identifying and reviewing all programs resulting in a \$10.4 million reduction and including the elimination of 61 full-time and 9 part-time positions and the proposed 1.51 cent increase in ad valorem taxes as an alternative to a reduction of \$3.9 million from the General Fund. She spoke to the proposed increase resulting in a 48.86 cent tax rate offsetting decreasing property values and other revenue sources and to the monies going toward debt service (1.35 cents) and fund operations (.16 cents) with an average annual cost to homeowners of \$30.15. Ms. Rhodes-Whitley reviewed the budget reductions and spoke to the FY 2010-11 deficit of \$22.8 million equaling 9.45 cents on the tax rate and resulting from an anticipated 5% loss in property value. She spoke to allocation of 1.98 cents more for the debt side from operations, CIP coming on line, health and TMRS increases, municipal garage/utility increases and maintenance of the required fund balance.

She spoke to the reduced level of assessed property valuations and the reduction in new properties coming online, comparison of Plano's tax rate to other cities in the metroplex and revenue lost through tax exemptions. Ms. Rhodes-Whitley spoke to the impact on the average home owner (\$30.15), the reduction in sales tax revenue and departments covered by General Fund dollars. She spoke to the projected 2009-10 Community Investment Program expenditures of \$112.7 million including streets (31.1%), municipal drainage projects (26.8%), and capital reserves (14.8%). Ms. Rhodes advised that the Capital Reserves Fund provides cash funding for maintenance and rehabilitation of infrastructure where other communities sell debt.

Ms. Rhodes-Whitley responded to a question, advising regarding anticipation of the deficit and steps taken including review of departmental programs, elimination of positions and the creation of a matrix prioritizing all services and resultant Council reductions totaling \$10.5 million. Spoke to the negative impact of an audit adjustment on the sales tax figures. An audience member spoke to not issuing bonds and saving monies versus implementing a tax increase. Mayor Dyer spoke to the bond election called by Council with all items passed by a vote of citizens and stated that a balanced budget will be adopted by Council.

Mr. Upchurch responded to a citizen, advising that DART maintains their lines and that the City receives no funds from the 1% taxes collected. Ms. Rhodes-Whitley responded to a question regarding grant funding, advising that social services are funded at \$2 per capita, arts/historic groups at 15% from collected hotel/motel taxes, and Community Development Block Grants receive separate funding. She spoke to the City's AAA bond rating and receipt of very favorable interest rates. Deputy City Manager Turner responded to citizens regarding DART and the citizen's vote to become a member with a charge of 1% in sales tax. He spoke to 60% of ridership at the Parker Road station and 50% at the George Bush station originating from outside the service area. Mr. Turner spoke to transit costs being covered at 17% from fares and 83% from sales tax revenue and the impact of more goods/services purchased outside the member cities. Ms. Rhodes-Whitley spoke to the philosophy of the City that the increase in the budget each year will not exceed the population plus inflation and further advised that a reduction in cash reserves may impact the AAA bond rating. Police Chief Rushin responded to a citizen regarding the role of school liaisons and advised they will remain in high schools. Mr. Upchurch responded regarding the collection and use of impact fees, the inability to use these funds for maintenance and discontinuing the program. He further advised that utility services are self-supporting. Ms. Rhodes responded to a citizen, advising that 13 cities contract with the North Texas Municipal Water District, that cities are billed based on their peak usage (26.7 gallons for Plano), that any revision to the contract requires unanimous vote by members and that cities that are growing would not support a change.

Mayor Dyer spoke to the negative budget projections and efforts over the past year by Council and Staff to address the deficit. He advised that audience members may provide comments to the Council but that due to posting limitations there would be no discussion.

An audience member questioned how next year's budget will be developed if there are difficulties with the current shortfall. Another questioned the amount of overtime that can be earned by employees and what increase in salaries will be provided. Mayor Dyer advised that no raises are included in the proposed budget with the exception of a required step increase for police. An audience member spoke to the projected six-fold increase in the impact of the over-65 tax freeze, economic developing occurring outside the City drawing residents elsewhere and the need to cut expenses.

An audience member spoke in support of efforts attract companies and the current situation being reactionary and resulting in a decline in the ability to sell the City. She advised that companies should be attracted to Plano, the low cost of \$30 per household and building on the benefits to ensure residents remain in the community. Two attendees spoke to implementing pay cuts for employees. An audience member spoke to the development north of SH 121 and the need to offer incentives. Another spoke to slow selling of bonds, particularly those for parks and development of a list of services with prioritization so there can be eliminations. An attendee spoke to providing an attractive and inexpensive place to live, learning to live with less and making cuts. Another spoke to reviewing the tax exemptions provided to commercial properties and possibly contracting services.

Mayor Dyer thanked those in attendance and spoke to adoption of the budget on Monday, September 14, 2009. Nothing further was discussed and the meeting was closed at 9:08 p.m.

Phil Dyer, Mayor

ATTEST:

Diane Zucco, City Secretary