

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
May 27, 2008**

COUNCIL MEMBERS

Pat Evans, Mayor
Sally Magnuson, Mayor Pro Tem
Jean Callison, Deputy Mayor Pro Tem
Pat Miner
Scott Johnson
Mabrie Jackson
Harry LaRosiliere
Lee Dunlap

Designation of Mayor Pro Tem and Deputy Mayor Pro Tem

Jean Callison, Mayor Pro Tem
Harry LaRosiliere, Deputy Mayor Pro Tem

STAFF

Thomas H. Muehlenbeck, City Manager
Frank Turner, Executive Director
Bruce Glasscock, Executive Director
Rod Hogan, Executive Director
Diane C. Wetherbee, City Attorney
Diane Zucco, City Secretary

Mayor Evans called the meeting to order at 5:11 p.m., Tuesday, May 27, 2008, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Mayor Evans then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, in order to consult with an attorney and receive Legal Advice and discuss Litigation, Section 551.071, discuss Personnel, Section 551.074 and to discuss 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 Evans reconvened the meeting back into the Preliminary Open Meeting at 6:27 p.m. in the Council Chambers where the following matters were discussed:

Consideration and Action Resulting From Executive Session

Personnel: Mayor Pro Tem and Deputy Mayor Pro Tem

Upon a motion made by Deputy Mayor Pro Tem Callison and seconded by Mayor Pro Tem Magnuson the Council voted 8-0 to appoint Council Member LaRosiliere as Deputy Mayor Pro Tem.

Upon a motion made by Mayor Pro Tem Magnuson and seconded by Council Member Dunlap the Council voted 8-0 to appoint Jean Callison as Mayor Pro Tem.

Mobility Report

No report was presented.

Comprehensive Monthly Financial Report

Director of Finance McGrane reviewed the sections of the report including the *Financial Analysis/Summary* covering the performance of major operating funds and comparative data on major revenue sources and expenditure items; *Economic Analysis* containing a summary of key economic indicators; *Investment Report* providing a description of investment activity; and *Quarterly Hotel/Motel Report* providing a summary of collections as well as comparison and analysis. He advised regarding distribution to libraries, web site, bond rating agencies, financial advisors, organizations and other cities.

Mr. McGrane spoke to the slow down in sales tax revenue with the General Fund being slightly below last year. He spoke to the possibility that the any recession may be ending, the decrease in expenditures, and revenues of the Water and Sewer Fund. Mr. McGrane responded to Council Member Johnson regarding an upcoming audit adjustment to sales tax. He spoke to the low rate of unemployment, slight April increase in sales tax collection, decrease in housing starts, and increase in the average selling price of homes. Mr. McGrane spoke to the decline in annualized building permit values with a decrease in commercial permits and responded to Council Member Johnson that some other cities have also stabilized while there are those that have new projects coming on line. City Manager Muehlenbeck spoke to the City's water billing cycle differing from the district's and to the possibility the City is 5-6 billion gallons under the take-or-pay contract. Mr. McGrane spoke to trends regarding hotel/motel sales taxes Mr. Muehlenbeck spoke to Intercontinental focusing on the Plano and McKinney markets.

Mr. McGrane spoke to investment funds in the treasury pool, limited diversification and short term investments due to the yield curve, and consideration of a certificate of deposit program or commercial paper in the future. He advised that the portfolio is performing well compared to benchmarks and responded to Council Member Dunlap regarding the hotel/motel tax exception received by corporations booking rooms for more than 30 days.

Council items for discussion/action on future agendas

No items were discussed.

Consent and Regular Agenda

Council Member Jackson requested that Consent Agenda Item "H," a resolution to approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano and Ensemble Studios/Microsoft be removed for individual consideration due to a possible conflict of interest. She further advised that she would be stepping down on Regular Agenda Items "1" an ordinance designate a certain area within the City of Plano as Reinvestment Zone No. 113 for a Tax Abatement consisting of a 5.164 acre tract of land located at the northeast corner of the Dallas North Tollway and Legacy Drive and Regular Agenda Item "2," a resolution to approve the terms and conditions of an agreement by and between the City of Plano and Ensemble Studios/Microsoft and providing for a real and business personal property tax abatement.

Staff requested that Consent Agenda Item "B," Bid No. 2008-151-C Environmental Waste Truck Parts (2) to Heil of Texas in the estimated annual amount of \$37,051 and RLS Services Inc. in the estimated annual amount of \$79,757 be pulled.

Council Reports

No reports were presented.

Mayor Evans recognized Council Member Dunlap's efforts related to the City's Memorial Day Service.

Nothing further was discussed. Mayor Evans adjourned the Preliminary Meeting at 6:54 p.m.

Pat Evans, Mayor

ATTEST

Diane Zucco, City Secretary