

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
November 8, 2010**

COUNCIL MEMBERS

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

STAFF

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

Mayor Dyer called the meeting to order at 5:02 p.m., Monday, November 8, 2010, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Mayor Dyer 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 to receive information regarding Economic Development, Section 551.087; and Personnel, Section 551.074; for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor Dyer reconvened the meeting back into the Preliminary Open Meeting at 5:50 p.m.

Consideration and Action Resulting From Executive Session

No items were brought forward.

Zero-Base Budget Discussion

Director of Budget and Research Rhodes-Whitley advised that Zero-base budgeting is a system that begins every budget cycle at zero, rejecting any assumption that the activities that were funded in the last budget will continue in the coming one. She provided a history of the process and stated that while state and local governments tried implementation, most ended due to the paperwork generated and time required. Ms. Rhodes-Whitley advised that development of a Zero-base budget would include decision packages for each program, service and/or business offered by the City including differing levels of funding and service. She spoke to the City of Plano's 449 identified programs and development of three alternatives for each.

Ms. Rhodes-Whitley advised that the current process is a combination of target/priority-based budgeting in which departments are provided a target and utilize decision packages to provide justification or make adjustments to their budgets with services ranked based on how well they align with strategic priorities. She further stated that the Strategic Plan, developed by the Council, identifies the goals for the City and the Core Business Matrix identifies programs/services. Ms. Rhodes-Whitley advised that implementation of Zero-base budgeting would take at least two years requiring a financial system to categorize programs/services to cost centers (rather than departments), restructuring of commodity codes, orders and reporting, and resetting all access security. She advised that implementation would also require restructuring of the personnel system to allocate time dedicated to each program/system. Ms. Rhodes-Whitley advised that budget preparation would require additional department time, training on the new budget and financial systems and additional Budget Department personnel. She spoke to a survey of cities nationwide indicating that most use a modified approach of target/priority/outcome and reviewed a new initiative which will prioritize all programs city-wide in light of the strategic plan.

Council Member Smith spoke in support of overall prioritization, Council review of line items to determine justification for expenditures and bringing forward further discussion following appointment of a new city manager. Council Member Davidson spoke to Zero-base budgeting as a point to reestablish a base budget and in support of overall prioritization. Council Member Callison stated concern regarding implementation of Zero-base budgeting and in support of prioritization.

Discussion/Direction Regarding Issuance of Debt for Water/Sewer

Director of Finance Tacke spoke to previous discussion regarding the issuance of debt to fund water/sewer improvements. She advised that certificates of obligation require no voter authorization, must be published in the newspaper and can be bundled with general obligation bond offerings. She further stated that they are subject to referendum by a voter's petition and are backed by the full faith and credit of the City. Ms. Tacke further advised that revenue bonds require no voter authorization, are paid solely from water/sewer revenues and require a reserve fund.

City Manager Muehlenbeck spoke to prior concern regarding funding levels for capital improvement projects as the City has no reserves in place and spoke to the certificates of obligation utilized for the Police Department's radio system and the moto-mesh system. Mr. Muehlenbeck advised that even though the City did not make the "take or pay" requirements of its contract with the North Texas Municipal Water District, revenues are better than anticipated. He further recommended that current capital programs for water/sewer in the amount of \$13.2 million be funded without issuing debt and monies be set aside to develop a reserve fund. He spoke in support of revenue debt rather than certificates of obligation in the future.

Comprehensive Monthly Financial Report

Finance Director Tacke advised that for the month of September 2010, General Fund revenue was down slightly as a percentage of budget when compared to last year with the Water/Sewer, Sustainability and Civic Center funds up slightly. She advised that actual figures indicate the General Fund is down \$2.3 million as compared to last year partially due to reductions in ad valorem taxes. Ms. Tacke spoke the level of sales tax being up as compared to the prior year and advised regarding lower General Fund expenses (\$7 million). Ms. Tacke advised that the unemployment rate decreased slightly to 7.3%, provided a recap of the real estate market and advised that actual water/sewer revenues are up \$8.2 million due to decreased rainfall and a rate increase.

Discussion/Direction Regarding Annual Fire Inspection Program

Chief Esparza advised that per Council direction, Staff has reduced proposed fees to cover only expenses for additional personnel and spoke to issues related to the timing of promotions to inspector's positions, funding, and billing methodology asking for Council's input regarding a possible delay in implementation until 2011-12. Chief Esparza responded to Council Member Smith, advising that inspectors must be state certified and stated that moving personnel from a station to inspections would result in a lower staffing level for trucks. He responded to the Council that inspectors must be fire fighters, that Staff is considering one inspector rather than two and Staff researched fees charged by other municipalities. The Council stated a consensus to approve the fee schedule and directed Staff to move forward as timing permits.

Discussion and Direction re Supporting a US75 Corridor Study

Mayor Dyer spoke regarding traffic counts for US75 and in support of a study.

Mayor Dyer stepped down from the bench at 6:47 p.m. and did not return.

City Manager Muehlenbeck spoke to a letter received from Collin County Judge Self requesting the City of Plano support a US75 Corridor Study. The Council stated consensus directing Staff to prepare a resolution in support.

Personnel Appointments - Self Sufficiency Committee

Upon a motion made by Council Member Smith and seconded by Council Member Davidson, the Council voted 8-0 to appoint Jason Beck.

Council items for discussion/action on future agendas

No items were discussed.

Consent and Regular Agendas

Council Member Smith requested that Consent Agenda Item “H,” consideration of a resolution to approve the terms and conditions of a First Addendum to the Real Estate Contract by and between the City of Plano, Texas and Emajeane Haggard Hall relating to the purchase of 51.103 acres at the northwest corner of Alma Drive and Park Boulevard be removed for individual consideration due to a possible conflict of interest.

Nothing further was discussed. Mayor Pro Tem Dunlap adjourned the Preliminary Meeting at 6:49 p.m.

Phil Dyer, Mayor

Lee Dunlap, Mayor Pro Tem

ATTEST:

Diane Zucco, City Secretary

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Mayor Dyer convened the Council into the Regular Session on Monday, November 8, 2010, at 7:04 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council Members were present.

The invocation was led by Pastor Brian McClane of Northpointe Church, flags were posted by the American Legion Post 321 Honor Guard and the Pledge of Allegiance was led by Cub Scout Pack 235, Den 3 Webelos of Thomas Elementary School.

Mayor Dyer presented proclamations recognizing Veterans Day, National Nurse Practitioners Week and Animal Shelter Week and presented special recognition to Bradley Robertson who received an award at the SWANA National Truck Road-E-O.

Mayor Dyer administered Oaths of Office to incoming board members Shelly Bracken (Library Advisory Board) and Fred Balda (Planning and Zoning Commission).

COMMENTS OF PUBLIC INTEREST

Megan Seymour, University of Dallas student, requested the Council consider reducing Parks and Recreation usage fees for Plano Independent School District non-residents to resident levels, citing potential increased usage and additional revenues for City retail establishments. She further spoke to revising youth rates to include high school students and lowering rates for local college students.

CONSENT AGENDA

Upon the request of Mayor Dyer, Consent Agenda Item “F,” reimbursement of oversize participation to Wolverine Equities Company 2000 Highway 190, L.P. for public improvements associated with the construction of Mapleshade Road from Ohio Drive to Coit Road in the amount of \$53,357 was removed for individual consideration due to a possible conflict of interest.

Upon the request of Council Member Smith, Consent Agenda Item “H” was removed for individual consideration due to a possible conflict of interest.

Upon a motion made by Mayor Pro Tem Dunlap and seconded by Council Member Callison, the Council voted 8-0 to approve and adopt all remaining items on the Consent Agenda as recommended and as follows:

Approval of Minutes (Consent Agenda Item “A”)

October 25, 2010

Approval of Expenditures

Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)

Bid No. 2010-211-C for a one (1) year contract with three (3) optional one year renewals for Security Personnel Services for Municipal Courts to Allegiance Security Group, LLC in the amount of \$57,048 and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “B”)

Bid No. 2010-247-B for Plano Senior Center Roof Replacement to Tice Enterprises, Ltd., in the amount of \$131,988 and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “C”)

Approval of Contract: (Purchase of products/services exempt from State of Texas Competitive Bid Laws)

RFQ No. 2010-138-B for a one (1) year contract with six (6) optional one year renewals for the purchase of Advertising Agency services for the Plano Convention and Visitors Bureau to The Atkins Group in the amount of \$457,666 and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “D”)

To approve an Engineering Services Contract by and between the City and Birkhoff, Hendricks & Carter, L.L.P., in the amount of \$359,100 for Custer Pump Station, and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “E”)

Approval of Expenditure

To approve of the purchase of replastering the Oak Point Center indoor pool in the amount of \$128,580 from Sunbelt Pools through an existing contract or agreement with BuyBoard and authorizing the City Manager to execute all necessary documents (BuyBoard Contract 288-08). (Consent Agenda Item "G")

Adoption of Resolutions

Resolution No. 2010-11-1(R): To authorize the payment of disputed sales tax in the amount of \$82,502 for certain operations at the Pecan Hollow Golf Course and for the City Manager to execute any agreements to effectuate this settlement; and providing an effective date. (Consent Agenda Item "I")

Adoption of Ordinances

Ordinance No. 2010-11-2: To transfer the sum of \$82,502 from the General Fund unappropriated fund balance to the General Fund operating appropriation for fiscal year 2010-11 for the purpose of providing funds for payment of disputed sales tax for certain operations at the Pecan Hollow Golf Course; amending the budget of the City and Ordinance 2010-9-8, declaring this action to be a case of public necessity; and providing an effective date. (Consent Agenda Item "J")

END OF CONSENT

Due to a possible conflict of interest, Mayor Dyer stepped down from the bench on the following item.

Reimbursement of Oversize Participation - To approve and authorize reimbursement to Wolverine Equities Company 2000 Highway 190, L.P. for oversize participation for public improvements associated with the construction of Mapleshade Road from Ohio Drive to Coit Road, in the amount of \$53,357. (Consent Agenda Item "F")

Upon a motion made by Council Member LaRosiliere and seconded by Council Member Callison, the Council voted 7-0 to approve and authorize reimbursement to Wolverine Equities Company 2000 Highway 190, L.P. for oversize participation for public improvements associated with the construction of Mapleshade Road from Ohio Drive to Coit Road, in the amount of \$53,357.

Mayor Dyer resumed his seat at the bench.

Due to a possible conflict of interest, Council Member Smith stepped down from the bench on the following item.

Resolution No. 2010-11-3(R): To approve the terms and conditions of a First Addendum to the Real Estate Contract by and between the City of Plano, Texas and Emajejan Haggard Hall relating to the purchase of 51.103 acres at the northwest corner of Alma Drive and Park Boulevard in the City of Plano, Texas; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item "H")

Resolution No. 2010-11-3(R) (cont')

Upon a motion made by Mayor Pro Tem Dunlap and seconded by Council Member Harris, the Council voted 7-0 to approve the terms and conditions of a First Addendum to the Real Estate Contract by and between the City of Plano, Texas and Emajeau Haggard Hall relating to the purchase of 51.103 acres at the northwest corner of Alma Drive and Park Boulevard in the City of Plano, Texas; and further to adopt Resolution No. 2010-11-3(R).

Council Member Smith resumed her seat at the bench.

Resolution No. 2010-11-4(R): To ratify the terms and conditions of a Contract by and between Allied Waste Systems, Inc. d/b/a Allied Waste Services of Plano, a Delaware corporation, hereinafter referred to as "Contractor", and the City of Plano, Texas, a home-rule municipality, hereinafter referred to as "City", to be effective upon approval of the City Council and subsequent execution by the City Manager. (Regular Agenda Item "1")

Director of Environmental Services and Sustainability Nevil spoke to the recycling processing agreement with Allied Waste including a processing allowance of \$51.00 per ton deducted from gross revenues and capped at \$80,000 with Allied paying the City 80% of net revenues. Ms. Nevil reviewed items recycled, the City's relationship providing for revenues and spoke to the history of the Materials Recovery Facility (MRF) and single-stream technology. She spoke to comparison of processing allowances and negotiations involving the commercial franchise agreement resulting in the proposed rates. Ms. Nevil spoke to benefits of the partnership including revenue sharing, collection/cost avoidance reductions and the savings of \$1 million over ten years. She further advised that an ordinance establishing commercial rates will come forward on November 22, 2010.

Mayor Pro Tem Dunlap spoke to the commercial franchise agreement having no impact on residential rates and to the benefits of the recycling in receiving grant monies. He spoke to this agreement as a public/private partnership and contributions of Allied Waste to the community.

Upon a motion made by Mayor Pro Tem Dunlap and seconded by Council Member Harris, the Council voted 8-0 to ratify the terms and conditions of a Contract by and between Allied Waste Systems, Inc. d/b/a Allied Waste Services of Plano and the City of Plano; and further to adopt Resolution No. 2010-11-4(R).

Public Hearing and adoption of Ordinance No. 2010-11-5 as requested in Zoning Case 2010-17 to amend Section 3.1600 (Sign Regulations) of Article 3 (Supplementary Regulations) and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, pertaining to unified-lot signs; and providing a publication clause, a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: City of Plano (Regular Agenda Item "2")

Ordinance No. 2010-11-5 (cont'd)

Director of Planning Jarrell spoke to the concept of unified-lot signs in which owners have entered into an agreement to treat properties as one so that a business may have signage on another's property. She stated that current regulations limit free-standing signs and deter redevelopment by limiting visibility. She spoke to retaining spacing, size and setback requirements and placing the burden on property owners/managers to determine signage. Ms. Jarrell advised that the Planning and Zoning Commission recommended approval subject to the following: (Deletions are indicated in strikethrough text; additions are indicated in underlined text)

Amend Subsection 3.1602 (Definitions) of Section 3.1600 (Sign Regulations) of Article 3 (Supplementary Regulations).

Sign - Unified-lot	Any identification or multipurpose sign located on a premise consisting of two or more contiguous lots that the owner(s) has agreed to treat as one lot for the limited purpose of providing shared signage.
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Amend Subsection 3.1603 (Design and Construction Specifications) 2. (Freestanding Signs) of Section 3.1600 (Sign Regulations) of Article 3 (Supplementary Regulations).

(k) Unified-lot Signs

- i. Unified-lot signs may be erected in nonresidential zoning districts and shall comply with the all area, height, setback, spacing, and composition restrictions ~~applicable to multipurpose signs~~ for freestanding signs in Subsection 3.1603.
- ii. ~~One~~ Unified-lot signs per street front may be placed on a premise consisting of two or more contiguous lots where each lot owner has entered into a binding agreement to treat their separate lots as one lot for the limited purpose of signage. The agreement shall contain a legal description of the properties subject to the agreement; ~~state that the parties, their heirs, and assigns forego any rights to additional freestanding street front signage on the premises covered by the agreement; state that the agreement is a covenant running with the land to be filed and made a part of the Deed Records of Collin or Denton County, Texas; and that the agreement cannot be amended or terminated without the consent of the Building Official.~~ A unified-lot sign agreement shall not be effective until a true and correct copy of the approved agreement is filed in the Deed Records of the applicable county and a file-marked copy is filed with the Building Official.
- iii. ~~A unified lot sign agreement shall not be effective until a true and correct copy of the approved agreement is filed in the Deed Records of the applicable county and a file-marked copy is filed with the Building Official.~~
- iv. ~~Individual lots that are part of a unified lot sign agreement shall not be entitled to any other freestanding street front signage.~~

Ordinance No. 2010-11-5 (cont'd)

Ms. Jarrell responded to the Council, advising that this amendment would allow for new buildings or tenant signage in the future.

Mayor Dyer opened the Public Hearing. No one spoke for or against the request. The Public Hearing was closed.

Upon a motion made by Deputy Mayor Pro Tem Miner and seconded by Council Member Davidson, the Council voted 8-0 to amend Section 3.1600 of Article 3 and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24; as requested in Zoning Case 2010-17 and as recommended by the Planning and Zoning Commission; and further to adopt Ordinance No. 2010-11-5.

Resolution No. 2010-11-6(R): To approve the terms and conditions of an Agreement by and between the City of Plano, Texas, and Capital One, National Association, a national banking association; providing for a real property tax abatement; and authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item "3")

Director of Finance Tacke advised that this item represents the third phase of development for Capital One including construction of a fourth building on their Plano campus (Reinvestment Zone No. 111) with commercial office space of 135,000 square feet by March 31, 2012. She advised that the agreement includes the creation or transfer of 200 full-time job equivalents on or before July 1, 2012, taxable real property values of \$5 million with a ten-year term beginning January 1, 2012 and ending December 31, 2021. Mayor Pro Tem Dunlap spoke to contributions made by Capital One to the community.

Upon a motion made by Deputy Mayor Pro Tem Miner and seconded by Council Member Harris, the Council voted 8-0 to approve the terms and conditions of an Agreement by and between the City of Plano, Texas, and Capital One, National Association, providing for a real property tax abatement; and further to adopt Resolution No. 2010-11-6(R).

Resolution No. 2010-11-7(R): To approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas, and Capital One, National Association, a national banking association; authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item "4")

Director of Finance Tacke advised that Capital One would occupy not less than 135,000 square feet of space and transfer or create 200 full-time jobs. She advised that the value of taxable real property improvements is \$5 million, business personal property \$4 million and terms of the lease are for ten years. Ms. Tacke advised that the City would grant up to \$100,000 reimbursement for permits and Building Inspection, Engineering and Planning fees; \$120,000 for the first 200 jobs; and up to \$180,000 for additional jobs (over 200) at \$600/each.

Resolution No. 2010-11-7(R) (cont'd)

Upon a motion made by Mayor Pro Tem Dunlap and seconded by Council Member Smith, the Council voted 8-0 approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas, and Capital One, National Association; and further to adopt Resolution No. 2010-11-7(R).

Resolution No. 2010-11-8(R): To approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas, and Futurewei Technologies Inc., d/b/a Huawei Technologies (USA), a Texas corporation; authorizing its execution by the City Manager; and providing an effective date. (Regular Agenda Item "5")

Director of Finance Tacke advised that Futurewei Technologies, Inc. [d/b/a Huawei Technologies (USA)] would occupy not less than 35,000 square feet of existing office space and retain or create 110 full-time jobs by May 1, 2011 with up to an additional 90 full-time jobs by December 31, 2013. She advised that the value of taxable real property improvements is not less than \$1.25 million with business personal property of \$500,000, terms of the lease are for seven years beginning May 1, 2011, and that the agreement is in the amount of \$240,000.

Upon a motion made by Council Member Harris and seconded by Council Member Davidson, the Council voted 8-0 to approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas, and Futurewei Technologies Inc., d/b/a Huawei Technologies (USA); and further to adopt Resolution No. 2010-11-8(R).

Resolution No. 2010-11-9(R): To approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Telect, Inc., a Washington corporation; authorizing its execution by the City Manager and providing an effective date. (Regular Agenda Item "6")

Director of Finance Tacke advised that Telect, Inc. would occupy not less than 100,000 square feet of existing commercial space and transfer or create 125 full-time jobs by December 31, 2010. She advised that the value of taxable real property improvements is not less than \$1.5 million, terms of the lease are for seven years and that the agreement is in the amount of \$87,500.

Upon a motion made by Deputy Mayor Pro Tem Miner and seconded by Council Member Callison, the Council voted 8-0 to approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano, Texas and Telect, Inc.; and further to adopt Resolution No. 2010-11-9(R).

Nothing further was discussed and Mayor Dyer adjourned the meeting at 7:52 p.m.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary