

**PLANO CITY COUNCIL
SPECIAL CALLED SESSION
April 4, 2011**

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

Bruce Glasscock, City Manager
Frank Turner, Deputy City Manager
LaShon Ross, Deputy City Manager
Diane C. Wetherbee, City Attorney
Diane Zucco, City Secretary

Mayor Dyer called the meeting to order at 7:01 p.m., Monday, April 4, 2011, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Council Member Callison arrived at 7:11 p.m. 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, Section 551.071 for which a certified agenda is not required.

Mayor Dyer reconvened the meeting back into the Special Called Session at 7:37 p.m.

Opening Remarks

City Manager Glasscock spoke to setting a foundation for future budget discussions by reviewing the four pillars of the budget process: financial policies; bond ratings; fund structures; and the history of the tax rate. He spoke to the City as a major corporation with 2,000+ employees and a combined budget of \$400 million with \$200 million in the General Fund (70% of which is personnel services). Mr. Glasscock spoke to Staff efforts to make reductions with minimal impact on the community and advised that future savings will result in an impact on service delivery and citizen/employee satisfaction. He spoke to the increasing tax rates of other maturing cities, focusing on maintaining citizen satisfaction while controlling expenditures, and areas for Council consideration including whether or not to maintain the AAA bond rating, continuing the use of reserve balances, maintaining the tax rate, avoiding the issuance of debt, and/or a planned gradual tax rate increase to offset revenue changes.

Discussion on the City of Plano's Financial Policies

Director of Finance Tacke spoke to the origins of fund accounting and the need for governments to demonstrate compliance with significant legal restrictions on the use of public resources and their annual budget and advised that the use of fund accounting helps demonstrate fiscal and fiduciary responsibility. She advised that the funds are self-balancing sets of accounts, much like subsidiaries of private companies, vary in type and have their own records. Ms. Tacke advised that government funds (General Fund, Debt Service Fund, Special Revenue Fund, and Capital Projects Fund) are used for tax-supported debt and are recorded in a cash-based accounting system while proprietary funds are more business-like in nature and are recorded in an accrual fashion. She responded to the Council, advising that the City must comply with generally accepted standards of accounting in order to receive a "clean" audit opinion.

Ms. Tacke reviewed the spending of each fund, advising that the General Fund is the chief operating fund of the City housing the operating and maintenance portion of property and sales tax and franchise fees; the Debt Service Fund is used to set aside resources for current and future debt service payments and must be paid first; the Special Revenue Funds raise revenue for specific purposes including red light cameras and are restricted in use; the Capital Projects Fund is used for financing and construction of capital projects and is made up of revenue received from other participating government agencies, bond proceeds and capital reserve monies; Proprietary Funds are business-type activities; Enterprise Funds are recovered by a fee such as those for water/sewer and environmental services; Internal Service Funds function to support activities within the City; and the Equipment Replacement Fund is for large items and is based on the expected life of the asset.

Director of Budget and Research Rhodes-Whitley spoke to the need for a rate structure adjustment should internal loans between funds be considered. Ms. Tacke advised that "best practices" recommend 60 days of working capital for General and Enterprise Funds and that Plano has 30 days in the General Fund and 14 days in the Environmental Services Fund. Ms. Rhodes-Whitley spoke to keeping 60 days in the Water & Sewer Fund and to a lower balance in the Solid Waste Fund due to stable revenues in that account. Ms. Tacke advised that all funds in an account cannot be spent due to portions being restricted, committed or assigned and spoke regarding the use of encumbrances and further advised that new accounting board requirements will impact reserves for appropriations.

Ms. Tacke spoke to funds for health care benefits and the 115 Trust (covering retiree health insurance) accumulated from each department based on their number of employees and responded to Mayor Pro Tem Dunlap regarding reserve funds versus contingency funds. Ms. Rhodes-Whitley advised that the Central Appraisal District does an annual appraisal at no extra cost to the City and Deputy City Manager Turner spoke to earmarking monies in the Capital Reserve Fund for specific purposes. City Manager Glasscock advised that he was unaware of insurance that would cover major, unexpected repairs such as a sewer line break.

Bond Rating Discussion

Ms. Tacke spoke to consideration by bond rating agencies of economic development and opportunities to bring businesses into the City; the ability to raise taxes if needed; General Fund reserve balances; and their negative view of an erosion of the tax base and decreases in the General Fund or a drawing down of reserves. She advised that agencies look at conservative and sophisticated debt management policies such as the City's use of short-term debt. Ms. Tacke spoke to consideration of strong General Fund reserves and revenue raising flexibility and advised regarding the impact on the City's bond interest rate should the rating fall from AAA.

Overview of Governmental, Debt, Enterprise and Internal Services Funds and Budgetary Impact

Ms. Rhodes-Whitley spoke regarding the relationship of the General Fund to other funds and advised that allocation to the debt tax rate in the General Obligation Fund must be done first. She spoke to monies coming into the General Fund from Water & Sewer, Sustainability & Environmental Services, Municipal Drainage, Convention & Tourism and Rec Revolving Funds to pay for administrative services. She advised that a majority of the work done by the Plano Television Network is for the Council and Planning and Zoning Commission and will be transferred out of the General Fund. Ms. Rhodes-Whitley advised that a goal of the Capital Reserve Fund is to transfer 75% of the annual depreciation value of projects and stated that the Property and Liability Loss Fund covers workman's compensation, property damages, judgments and claims and is funded through the General, Sustainability & Environmental Services, and Water & Sewer Funds. She advised regarding funding of the PC Replacement Fund and spoke to the Technology Services Fund which maintains the operations of the Technology Services Department with 80% covered by the General Fund and 20% from the Water & Sewer Fund. Ms. Rhodes-Whitley advised that the Technology Fund receives \$1.4 million each year for large projects and the Economic Development Incentive Fund is comprised of two cents from the property tax rate.

Ad Valorem Tax Rate Overview

Ms. Rhodes-Whitley advised regarding new growth added to the tax rate, transfer of 10.5 cents of the rate to the Capital Reserve Fund and 2 cents for economic development. She spoke to future payments closing out existing tax notes and the resulting increase in monies available for operations and maintenance. Ms. Rhodes-Whitley advised that projections of additional revenues include the acquisition of new debt. She further advised that Plano utilizes short-term notes rather than long-term debt which incur less overall cost and that projections include all items approved and unfunded from the 2009 bond referendum. Ms. Rhodes-Whitley spoke to CIP projects coming online and the impact to the budget of their operating and maintenance with a cumulative cost of eight cents on the tax rate. City Manager Glasscock advised that in the past, the City has depended on new growth to offset the increased costs of operations and maintenance rather than increasing the tax rate and to this driving the deficits.

Ms. Rhodes-Whitley stated that if all items were funded as planned, the tax rate in 2014-15 would need to be 56.47 cents to maintain operations. She spoke to lost revenues through exemptions and tax freezes and to the effective tax rate as the rate that would be passed to collect the same tax revenue as the prior year. She spoke to the effective rate of 52.03 cents for 2010-11 and to the Council adopting a 48.86 tax rate which resulted in a missed opportunity of \$7.8 million. She responded to the Council advising that calculations do not include new development. Ms. Rhodes-Whitley spoke to the rollback rate which allows a taxing unit to raise the same amount for operations (only General Fund operations) as in the prior year plus provides an 8% cushion and stated that for last year it would have been 37.74 cents as compared to the 31.35 cents adopted by the Council. Mr. Turner advised that calculations for the rollback rate encourage cities to take on more debt because they exclude the debt cost. Ms. Rhodes-Whitley reviewed the budget calendar.

Conclusion/Next Steps

City Manager Glasscock spoke to setting a foundation to understand where the City is now and what is anticipated in the future. Council Member Smith spoke to receiving information from each department. Mr. Glasscock advised that he would bring forward a recommended budget and cuts along with a tax rate for Council's consideration. He spoke to each department presenting information on their general service delivery with an overall view. After discussion, the Council concurred to hold meetings on a separate evening from Council nights and to conduct them in the chambers.

Council Member LaRosiliere spoke to setting a clear direction and considering the quality of services and costs. He spoke to recent reductions taking \$13 in cuts for every \$1 in increased revenues, and to focusing on what citizens want and providing the resources to Staff to deliver their expectations. He and Council Member Callison spoke to the impact of decisions on service quality and bond ratings. Mr. Glasscock spoke to departments "telling their story," providing information on challenges and the impacts of the last three years. He further spoke to the difficulty of recovery should significant cuts be made and potential consequences on service, citizen satisfaction and financial stability.

Nothing further was discussed. Mayor Dyer adjourned the Session at 9:37 p.m.

Phil Dyer, Mayor

ATTEST:

Diane Zucco, City Secretary

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
April 11, 2011**

COUNCIL MEMBERS

Phil Dyer, Mayor
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Pat Miner, Deputy Mayor Pro Tem
Ben Harris
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Jean Callison

STAFF

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LaShon Ross, Deputy City Manager
Diane C. Wetherbee, City Attorney
Paige Mims, Deputy City Attorney
Diane Zucco, City Secretary

Mayor Dyer called the meeting to order at 5:05 p.m., Monday, April 11, 2011, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Deputy Mayor Pro Tem Miner arrived at 5:11 p.m. 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, Section 551.071; 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 6:03 p.m.

Consideration and action resulting from Executive Session discussion:

North Texas Municipal Water District Board – Reappointment

Upon a motion made by Council Member Harris and seconded by Deputy Mayor Pro Tem Miner, the Council voted 8-0 to reappoint Jerry E. Yancey.

Presentation of Police Department's Racial Profiling Report

Police Chief Rushin spoke to the requirement to present data gathered from traffic stops resulting in a citation or arrest noting the race or ethnicity of the individual detained and whether a search was conducted. He spoke to a new format for reports and advised that they contain rough data and do not constitute evidence of racial profiling. Chief Rushin advised that warnings and citations appear fairly equitable across racial lines, spoke to the percentage of stops affecting non-Plano residents, a baseline based on crash data population, and factors related to discretionary and non-discretionary arrests. He advised there were 57,054 traffic contacts in 2010 with two alleging bias and stated that both were investigated by the Professional Standards Unit with one determined "unfounded" and the other "not-sustained." Chief Rushin spoke to officer involvement in the community and future strategies to include gathering and analyzing data, utilizing car videos, review of standards, training, and minority recruiting.

Presentation of Police Department's Annual Report

Police Chief Rushin provided an overview of the department's 341 sworn officers, 156 civilians, 88 crossing guards and 194 Citizen's Police Academy alumni and its mission to provide outstanding police services in partnership with the community and to maintain a safe environment that contributes to the quality of life. He spoke to emphasizing voluntary compliance, education of citizens, partnership with the community, visual presence, detection and apprehension of offenders. Chief Rushin referred to performance measures including the crime rate (the lowest in over ten years), traffic safety, timely service with overall response times within target ranges and quality of service as measured by citizen surveys. He spoke to the efforts of the Plano Citizens Police Academy Alumni Association and accomplishments including recognition by Forbe's Magazine and CQ Press as a safe city, receipt of the National Award for Excellence in Neighborhood Watch from the National Sheriff's Association, Texas Tactical Police Officers' Association SWAT Competition award winners, receipt of CALEA Flagship Accreditation, efforts of Law Enforcement Explorer's Post 911, and the award winning National Night Out Program. Chief Rushin spoke to the positive impact of the Automated Red Light Camera Enforcement Program and the Department's budget reductions and voluntary savings of over \$5.3 million since April 2008. He spoke to future focus on performance measures, high quality service, efficiency/cost containment, technology, employee development, and community partnerships.

Chief Rushin responded to the Council regarding recruitment efforts, prevention and tracking of injuries, and benefits of the Moto Mesh system. He spoke to the cost savings of new police vehicles and the ability to mount all necessary equipment in the cabin area. Chief Rushin spoke to positive call response times and advised that officers report concerns regarding road conditions.

Discussion and Direction to Grant Permission to Plano Sports Authority, Inc. (PSA) to Alter and Remodel the Interior of the PSA Facility located in Carpenter Park

Bill Wadley, of SHW Group, spoke to the growth of soccer programs and the partnership with the Dallas Stars. He spoke to an agreement which would convert the current ice surfaces to indoor soccer fields and to renovations to open up the facility and change the name to *PSA 1 Center*. Mayor Dyer expressed appreciation for the partnership with the City and the Council concurred in approving the recommended changes.

Spring Creek Corridor Improvements

Public Works Director Cosgrove advised the Council regarding planned improvements at the intersections of Spring Creek Parkway and Independence Parkway/Custer Road advising that the proposal brings intersection roadways together to allow for easier left-turn lanes. He advised regarding funding received from regional monies and Collin County bond funds and stated that the City will retain ownership of the current rights-of-way.

Personnel - Self Sufficiency Committee

Upon a motion made by Council Member Davidson and seconded by Council Member Smith, the Council voted 8-0 to appoint Charles Ho as an interim member of the board.

Council items for discussion/action on future agendas

No items were discussed.

Consent and Regular Agenda

Mayor Pro Tem Dunlap requested Consent Agenda Item "B," Bid No. 2011-83-B for the Spring Creek Parkway Railroad Track Removal Project No. 6092 to Jim Bowman Construction Company, L.P. in the amount of \$75,330 be removed for individual consideration due to a possible conflict of interest.

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

Phil Dyer, Mayor

ATTEST:

Diane Zucco, City Secretary

PLANO CITY COUNCIL
April 11, 2011

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Diane Zucco, City Secretary

Mayor Dyer convened the Council into the Regular Session on Monday, April 11, 2011, at 7:09 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council Members were present.

The invocation was led by Reverend Janet Collinsworth of St. Andrew United Methodist Church. Mayor Dyer led those in attendance in the Pledge of Allegiance.

PROCLAMATIONS & SPECIAL RECOGNITION

Mayor Dyer received a presentation of Volunteer Dollar Value Recognition and read a proclamation for National Volunteer Week. City Manager Glasscock recognized Chief Gregory Rushin for 25 Years of service.

COMMENTS OF PUBLIC INTEREST

O.B. Barsh, of Bullwinkle's Bistro and Pub requested favorable consideration of a request for a Specific Use Permit for a Private Club citing other areas in the City that receive an exception from the distance requirement to churches. Citizen of the City Jim Kubota spoke to requiring a permit for those who perform neighborhood lawn maintenance as is required for holding a garage sale. Residents Carolyn Roberts and Virginia Ziegler spoke to issues related to their participation in the Community Services Program and City Manager Glasscock advised that he would work with Staff for resolution of the program. No one else appeared to speak.

CONSENT AGENDA

Upon the request of Mayor Pro Tem Dunlap, Consent Agenda Item “B” was removed for individual consideration due to a possible conflict of interest.

Council Member Harris spoke to one correction to the Regular Minutes of March 28 amending a speaker’s name.

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

Approval of Minutes (Consent Agenda Item “A”)
March 28, 2011 (Approved with revision)

Approval of Expenditures

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

Purchase from an Existing Contract

To approve the purchase of audio equipment and a replacement PA system and speakers for the Carpenter Park Recreation Center renovation in the amount of \$74,593 from Schoolhouse Audio Visual through an existing contract with The Cooperative Purchasing Network (TCPN) and authorizing the City Manager to execute all necessary documents. (TCPN Contract R4706). (Consent Agenda “C”)

Approval of Change Order

To ARK Contracting, LLC, increasing the contract by \$73,400 for the Park System Pond Restoration, Project No. 5895, Change Order No. 1. Original Bid No. 2011-24-B. (Consent Agenda “D”)

Approval of Expenditure

To approve the purchase of an upgrade to the pneumatic controls for the thermostats and controllers and an upgrade to a total of 79 terminal boxes at Robinson Justice Center in the amount of \$146,587 from Johnson Controls, Inc. through an existing contract with Choice Facilities Partners and authorizing the City Manager to execute all necessary documents. (Choice Facility Partners Contract Number 09/003JC-01) (Consent Agenda “E”)

Adoption of Resolutions

Resolution No. 2011-4-1(R): To approve the assignment of a Tax Abatement Agreement from KanAm Grund Kapitalanlagegesellschaft mbH, a German limited liability company to FSP Legacy Tennyson Circle LLC, a Delaware limited liability company and approving an amendment to the agreement reflecting same and removing the Lessee, Denbury Onshore LLC, a Delaware limited liability company from the Agreement; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda “F”)

Resolution No. 2011-4-2(R): To approve the terms and conditions of an Amended Restated Agreement by and between the City of Plano, Texas, a home rule municipal corporation, the County of Collin, Texas, Capital One, National Association, a national banking association, and Capital One Auto Finance, Inc., a Texas Corporation; and providing for consolidation of the abatements for the separate phases of the Capital One Project in Reinvestment Zone 111 into one Agreement; and authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda “G”)

Adoption of Ordinances

Ordinance No. 2011-4-3: To amend Chapter 12 (Traffic Code), Article IV (Speed), Section 12-73(d) of the City of Plano Code of Ordinances, to enact a school zone on the section of North Star Road from a point 1,500 feet south of Plano Parkway south to the south City limits; and providing a penalty clause, a repealer clause, a severability clause, a savings clause, a publication clause, and an effective date. (Consent Agenda “H”)

Ordinance No. 2011-4-4: To repeal Appendix B—Cable Television Franchise of the Code of Ordinances of the City of Plano, Texas to repeal Ordinance No. 83-7-8 granting a franchise to Telecable of Plano, Inc., its successors or assigns, to own and operate and maintain a cable communications system in the City of Plano, Texas; setting forth conditions accompanying the grant of franchise; providing for the regulation and use of said system; and providing an effective date. (Consent Agenda “I”)

Ordinance No. 2011-4-5: To amend the Transportation Element of the Comprehensive Plan along with the Future Land Use Plan map and Thoroughfare Plan map as originally adopted by Resolution No. 86-11-22(R) providing procedures approving the utilization of said chapter as revised and amended by the appropriate personnel and departments of the City of Plano for the purpose of guiding future development within the City of Plano, Texas; and providing an effective date. Applicant: City of Plano (Approved by City Council 3/28/11) (Consent Agenda “J”)

END OF CONSENT

Mayor Pro Tem Dunlap stepped down from the bench at 7:35 p.m. and did not return.

Bid No. 2011-83-B for the Spring Creek Parkway Railroad Track Removal, Project No. 6092, to Jim Bowman Construction Company, L.P. in the amount of \$75,330 and authorizing the City Manager to execute all necessary documents.

Upon a motion made by Council Member Callison and seconded by Council Member LaRosiliere, the Council voted 7-0 to approve Bid No. 2011-83-B for the Spring Creek Parkway Railroad Track Removal to Jim Bowman Construction Company, L.P. in the amount of \$75,330.

Nothing further was discussed and Mayor Dyer adjourned the meeting at 7:36 p.m.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary