

**PLANO CITY COUNCIL
CORE BUSINESS WORK SESSION
DECEMBER 7, 2009**

COUNCIL MEMBERS

Phil Dyer, Mayor
Harry LaRosiliere, Mayor Pro Tem
Lee Dunlap, Deputy Mayor Pro Tem
Pat Miner
Ben Harris
Mabrie Jackson (resigned)
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

Mayor Dyer convened the Council into the open session at 8:31 a.m. on Monday, December 7, 2009, in Training Room A of the Plano Municipal Center, 1520 K Avenue. All Council Members were present. Council Member Callison arrived at 8:49 a.m.

Opening Comments

City Manager Muehlenbeck recognized department heads for their efforts in holding down expenditures and developing the core business matrix, advising that revenue enhancements will be addressed at a later time and requesting Council direction on priorities for October 1, 2010 – September 30, 2011. Lyle Sumek, of Lyle Sumek Associates, Inc. facilitated the worksession and spoke to increased demand for services and to considering the responsibilities of the City as well as priorities. Director of Budget and Research Rhodes-Whitley spoke to the forecasted decrease of 8% in commercial property values, a projected budget deficit of \$20 million, continued low sales tax revenues, declines in water/sewer revenue, and the need for a 1.5 cent increase for the debt rate due to projects coming online. Mr. Sumek spoke to the categories of “no choice,” “choice,” “quality of life,” and “add-ons” for services. Ms. Rhodes-Whitley spoke to salaries making up 67.7% of the General Fund (\$219 million) and to Public Safety accounting for 65% of salaries. She advised that “no choice” items comprise approximately 8% of expenditures, “choice” 64%, “quality of life” 27% and “add-ons” 0.7%. She provided information on the transfer of funds for economic development, capital reserve, insurance/workman’s comp and Plano Television Network and spoke to categories of service provided from enterprise funds.

Council discussion and direction on the core business services for the following City service areas and departments:

Public Safety Services Business Center

Police Chief Rushin spoke to the budget of \$53 million, 494 full-time and 90 part-time positions, advised that court security services are funded through fees and Ms. Rhodes-Whitley advised she would meet with the Municipal Judge regarding paying administrative fees associated with court security to determine if the account is neutral. Chief Rushin spoke to the cost of false alarms (99% of calls) and Deputy City Manager Glasscock advised regarding timeframes for response and stated that state law regulates fees collected. Council Member Callison spoke to providing public education on the cost of false alarms. Chief Rushin advised that the Red Light Camera Program is self-funded with monies reinvested into the community and City Manager Muehlenbeck spoke to the percentage of revenues forwarded to the state. Chief Rushin spoke to the value of accreditation and compliance with directives and standards and advised regarding the School Liaison Officer Program costs and his recommendation that the program be discontinued from Plano locations, continued in Frisco locations (where the school district pays 100% of costs) and retaining three officers and one sergeant for call response. Mayor Dyer requested further information regarding the level of contribution by school districts in other cities and City Manager Muehlenbeck requested direction from the Council to stay in the program or to require a minimum participation level from the school district. The Council stated a consensus to work toward a 50/50 split of costs for a savings of \$332,296.

Chief Rushin spoke to officers assigned to the Canine Program, Neighborhood Police Officer Program and Crime Prevention all of which were identified as “quality of life.” He spoke to Warrant Services and advised that Detention Services is operating with minimum staff. Police Budget Analyst Smith advised that Crossing Guard services are covered by revenue from the Child Safety Fund. Chief Rushin advised that Plano has one of the best SWAT teams in the state, spoke to equipment costs, grants received and benefits of the program. He reviewed the Professional Standards Unit, Traffic Enforcement Program, Training Services and Records Management.

Fire Chief Esparza spoke to an updated internal strategic plan and departmental reorganization to include five divisions with a budget of \$42 million and 333 positions. He spoke to Community Outreach and Childhood Safety as “quality of life” programs, cited their benefits and stated that if Staff were cut, the programs would be discontinued. Chief Esparza spoke to the Technical Rescue and Hazardous Material/WMD Programs staffed by line fire fighters with costs related to equipment. He spoke to prevention programs including annual inspections for commercial sites, false-alarm tracking, investigations and plan review. Assistant Fire Chief/Fire Marshal Kerr advised that annual commercial inspections are provided at no charge and Mayor Dyer requested information regarding the number of such inspections as a possible source of revenue. Chief Esparza spoke to Ambulance Transport/EMS Services and staffing; the need for mandated training; and advised regarding mutual aid where Plano would provide services to neighboring communities at no charge. He spoke to the equipment costs of \$12.8 million costs associated with the retention of the ISO1 rating including Station #13 coming online, a 5th ladder truck with personnel and equipment, a 14th engine and \$5 million in annual operating costs. City Manager Muehlenbeck requested information regarding the impact on tax revenues if the ISO1 rating were lost. Deputy City Manager Glasscock spoke to possible grant funds to offset some costs.

Director of Emergency Management Stovall spoke to capital outlay for the new training facility and operations center which will be one-time costs. He advised that emergency/disaster preparedness along with response/recovery are driven by state mandates and spoke to the impact on grant funding. Mr. Stovall responded to the Council, stating that some existing furnishings are being utilized for the new center and reductions have been made from the original cost estimates. He spoke to lack of other training space, the center providing education for City Staff and Deputy Mayor Pro Tem Dunlap spoke to possible opportunities for revenue.

The Council recessed at 10:30 a.m. and resumed at 10:39 a.m.

Director of Public Safety/Communications Timmons spoke to transition of some services to wire-line funds which come to the City from telephone bills, future funding needs for “next generation” technology, and transition of some personnel to these purposes. He spoke to providing public education and responded to City Manager Muehlenbeck regarding annual draws in preparation for new equipment anticipated in two-three years. Mr. Timmons spoke to support functions provided for emergency departments, 24-hour operations, regional voice/data public safety radio system and the expertise of Staff. He advised that \$81,000 in revenue for the radio systems maintenance and operation is from agencies serviced by the system and that \$4.2 million is spent on alert functions (emergency phone and dispatch services).

Director of Health Collins spoke to the department having a combined staff of 44 with a composite budget of \$3.5 million (down 8.5%) and the elimination of positions and services. He spoke to implications if further programs were eliminated and the county not having the capacity or means to accomplish the tasks provided. Mr. Collins spoke to programs including response to illumination requests, reduced funding for promotion of Clean Air initiatives, investigation of noise complaints, the importance of education for food handlers/managers, and benefits of enforcing the City’s smoking ordinance, and communicable disease surveillance. He spoke to the success of the mosquito/rodent control programs, environmental remediation/spill response program to assist the Fire Department, inspections of non-hazardous liquid waste (grease traps), and water quality program with over 400 pools under inspection. Mr. Collins spoke to department enforcement of federal/state/local laws to reduce the level of pollutants discharged in the sewer system and inspection of 13,000-14,000 food establishments. He advised that the only “no choice” area of the department is inspection and monitoring of storm water inlets and outlets which is mandated by federal/state law and advised that 44% of programs are budget neutral. Mr. Collins responded to the Council regarding the cost for food permitting and comparisons to other area cities, and advised that Health Department inspection services are conducted after buildings are constructed. He further stated that while disease surveillance may be done by the county, they do not track migration or provide education to slow/stop the outbreaks and spoke to enforcement of the smoking ordinance on a complaint basis.

Director of Health Collins spoke to Animal Services field operations, off-site adoptions and education programs, revenues generated from licensing and the possibility new software would generate higher compliance, and responded to the Council regarding the number of Staff presentations provided annually. He spoke to the need for veterinary services to prevent the spread of illness, assistance provided to citizens, and contracting for sterilization services. Mr. Collins spoke to adoptions (2,500 per year) providing 92% cost recovery, the number of animals dropped off at the center, and reviewed field and shelter operations. He advised that local rabies control would revert to the county if not done by the City and City Manager Muehlenbeck spoke to possible public reaction should services be reduced. The Council requested Staff look into efforts to encourage registration of all animals in the City and to review possible hiring of a veterinarian to reduce costs.

Customer Utility Services, Library, Technology Services & Public Information Office

Assistant City Manager Israelson spoke to monies derived mainly from the Water and Sewer Fund with utility management funded additionally through the General Fund. He spoke to resolving issues with franchisees and their revenue collection, right-of-way management and legislative representation. Mr. Israelson spoke to the highest priority service being field services and upgrade of the meter system. He spoke regarding the billing and systems areas including the issuance of statements, management of inserts and quality control as well as the revenue and collections area where a payment kiosk has been installed. Mr. Israelson advised that 56% of customers utilize electronic payment and spoke to the cost for “high touch” services including the call center(s), notification tags and after-hours collections and restarts. He spoke to services provided at the Davis Library location and Council requested usage figures for this site. The Council requested information regarding possible charges for services conducted on weekends/holidays.

Director of Libraries Baumbach spoke to the costs and services provided by the Municipal Reference Library whose librarian also acts as the department web master advising that if eliminated, the savings would be \$18,000 in materials. She spoke to the libraries providing income tax forms to the public and service time expenses should this be discontinued. Ms. Baumbach spoke regarding program room administration, adult education programs and increased usage of the genealogy area. She spoke to Plano's inter-library loan program, enrichment activities, technical services/administration, and the use of "pools" for librarians, clerks and pages to fill in where needed. Ms. Baumbach spoke to the state-mandated 64 hours of operation for libraries, which does not need to be met by every location and to the lightest service day as Friday. She spoke to collection management and community education services including reference librarians, children's education services, increased computer usage, program changes implemented on October 1 to limit holds and lock book drops during holidays, and funds received from the county and state. The Council spoke to receiving information on the impact of rolling closures; fees for genealogy services and non-residents; and provision of income tax forms.

Mayor Dyer adjourned the session for lunch at 12:22 and resumed the session at 12:34 p.m.

Director of Technology Services Stephens spoke to service provided to all departments, management of cell phone and wireless data services, and desktop support for over 2,000 users. He advised regarding utilization of the Moto-mesh system beyond the Public Safety area and spoke to operations management costs for equipment and personnel, main internet connectivity in providing citizens with access to information and the need for highly secure networks. Mr. Stephens advised that Staff provides support for in-house developed software and maintenance of the telecommunications and data network along with the City's e-mail services. He further advised regarding support provided to the Fire, Police and Public Safety Communications Departments and responded to Deputy Mayor Pro Tem Dunlap that Staff will evaluate all maintenance and support service agreements providing more detailed information to the Council.

Assistant City Manager Israelson advised that the Joint Use Facility of Customer Utility Billing receives 21,000 payments per month while the Municipal Center Facility receives 51,000.

Assistant City Manager Israelson spoke to service changes in the Public Information Department including the outsourcing of printing, reassignment of publishing duties and moving mail services and action center responsibilities to the City Secretary's office. He spoke to the role of Public Information to provide press releases and publications mandated by state and federal authorities and the creation of annual reports, inserts, resident guides and to further study of the department. Mr. Israelson spoke to the role of Plano Television Network including emergency communications, televised meetings and agenda postings, and the level of grants. City Manager Muehlenbeck responded to Deputy Mayor Pro Tem Dunlap regarding Staff consideration of programming and the need for a long-term strategy for funding as \$134,000 was transferred in from the General Fund to offset expenses. Mr. Dunlap spoke to selling air time to other entities to increase revenues. Staff was directed to evaluate their mission and responsibilities going forward including the number of productions and billing other departments for their efforts.

Mr. Israelson spoke to the web site providing a link for communications, including postings and live streaming of meetings, web-based forms, and citizen response. He advised that design is accomplished in-house with the exception of a small contract. Ms. Rhodes-Whitley advised that the \$250,000 in revenues noted is a transfer from the Technology Fund to pay web site expenses and Deputy Mayor Pro Tem Dunlap spoke to the importance of the web site and the possibility of revenue by charging organizations for posting to the City's calendar.

Public Works & Engineering Business Center

Director of Public Works/Engineering Upchurch spoke to Utility Operations, paid by the Water/Sewer Fund providing water main services and repair, right-of-way management, review of contractual rehabilitation and community outreach. He spoke to Pumping Facilities including flow testing, inspection of contractor services, and contractual mowing of facilities. Mr. Upchurch spoke to Municipal Drainage paid from drainage funds, administration costs spread to various business areas, and to street operations paid partially from the General Fund and including repairs, patching, screening walls and alleyways. Deputy City Manager Hogan advised that the Capital Reserve Fund was established to fund repairs and Mr. Upchurch advised that while most maintenance is an in-house function, major construction is contracted out. City Manager Muehlenbeck spoke to possible consolidation of graffiti removal efforts between the Engineering and Property Standards Departments.

Mr. Upchurch spoke to continued maintenance, design and operation required for traffic signals, the uninterruptable power supply system, quality of life issues such as lighted signs and “no choice” items including traffic signs and markings. Mr. Hogan spoke to federal guidelines requiring specific size lettering and reflexivity on signage as mandates passed to the City.

Mr. Upchurch spoke to the Engineering Department’s responsibility for Community Investment Projects including street design, construction and inspection. The Council expressed no interest in charging inspection costs against projects to move revenue to the General Fund. Mr. Upchurch spoke to right-of-way management, operations/maintenance of facilities, contract services, energy management and pest control. He spoke to FEMA’s publication of new maps with slight variations in topography indicating some homes are now in the flood plains. The Council requested Staff provide public information regarding the map changes to advise citizens. Mr. Upchurch spoke to traffic management, operations, and signals.

Director of Parks and Recreation Fortenberry advised the Council that the department is responsible for maintaining grounds/buildings, providing programs to the public and offering “quality of life” programs including special event permit processing and senior transportation. Mayor Pro Tem LaRosiliere requested information regarding the number of riders at which the senior transportation program reaches a “break even” point and the Council concurred to evaluate the program and consider possible discontinuation. Ms. Fortenberry spoke to community events, and the Council stated a consensus to look into corporate sponsorship of events. Staff spoke to input received following changes to the parks mowing/maintenance program and the Council spoke to the opportunity for cost recovery with partnerships from those utilizing the ball fields. Staff reviewed use of recreation centers and cost recovery, advising that there is neighborhood interest in providing service at Douglass Center. The Council discussed attendance at the centers and revenues and stated a consensus not to implement rolling closures. Ms. Fortenberry advised regarding performing arts venues, the interurban rail station, public arts program, and volunteer program. She advised that costs reflected for the Aerobats Gymnastics program include administrative costs and that the program typically covers its costs and City Manager Muehlenbeck spoke to the use of both General and Recreation Funds.

Director of Sustainability and Environmental Services Nevil spoke to the department’s funding through an enterprise fund with costs recouped by fees, advising that Plano offers a high value of services at low rates. She spoke to “no choice” programs including refuse collection, commercial disposal and solid waste and to “quality of life” programs including yard trimming, bulky waste and household chemical collection and to the decline in revenues from recycling services from \$1.3 million to \$150,000 in two years. Ms. Nevil spoke to Texas Pure Processing’s goal to become self sufficient, savings gained through the sustainability program, costs associated with the Live Green Expo and the Commercial Recycling Team and organic recycling which results in cost savings by diverting 47,000 tons from the land fill.

Ms. Nevil responded to Mayor Dyer, advising that mulch products are selling as soon as they are processed and rated the lowest priority items in the department as the Live Green Expo and special paid collection. She advised that the water district is having difficulty locating a site for transfer station #4 and to expansion of a City of Richardson station for the region. She responded to the Council that administrative costs have been spread across the expenditures and spoke to the funding of communications through the Enterprise Fund rather than the General Fund. Ms. Nevil advised that approximately 70% of the attendees at the Expo are residents.

The Council recessed at 2:41 p.m. and resumed at 2:47 p.m.

Development Services Business Center

Director of Planning Jarrell spoke to the geographic information system/mapping, advising that there has been some staff reduction in this area; spoke to the phases of commercial development and redevelopment; customer assistance provided; demographics and census support; the regulatory role of heritage preservation and to “quality-of-life” issues including the day labor center, community building, and neighborhood enhancement programs. She spoke to discussions related to the day labor center, posting notice that activities are prohibited on other properties and advised that 200-250 workers per day utilize the site.

Chief Building Official Mata spoke to “no choice” items including inspections/plan review/permit services and records and information management. He spoke regarding sign enforcement as a “quality of life” issue and City Manager Muehlenbeck spoke regarding the cost of the program. The Council discussed continuation of the program and fines and stopping sign pick up to determine the impact. Mr. Mata spoke to departmental vacancies, contractor meetings, dispute resolution, community benefits and the waiver of fees for other entities including the county, school district, etc. He responded to Deputy Mayor Pro Tem Dunlap regarding contractor luncheons and the Council requested consideration of expansion to include realtors.

Director of Property Standards O’Banner spoke to Staff preparation and testifying for administrative and judicial hearing of cases and to neighborhood assessment and education. She advised regarding enforcement officer education and offering classes to other communities for fees and clarified state legislation regarding graffiti. Ms. O’Banner spoke to the lack of interest in retailers recouping abandoned shopping carts and exploration of ways to recycle them and to Staff time in bringing sub-standard property cases before the Building Standards Commission. She spoke to liens placed on public nuisance property, the rental inspection program as self-sustaining and challenges in expanding the program to single family locations. City Manager Muehlenbeck spoke to waiting to move forward on a new program during the current economic times. Ms. O’Banner spoke to Staff providing community service spruce up and to participation in professional organizations to further legislative needs and garner regional support.

Human Resources, Risk Management & Finance

Assistant City Manager Ross spoke to Human Resources compliance with federal and state laws regarding employment law and to offering recruitment/retention and employee development to managers. She spoke to other cities enrolling in Plano leadership courses, suspension of the tuition assistance program, and expenses and returns derived from the Management Preparation Program. Ms. Ross spoke to the number of employees indicating that their spouse has other coverage, changes to the health plan directed toward cost sharing, addressing the costs for civil service examinations, review of overtime payment, collection of retirees’ insurance payments and consideration of alternative coverage. Mayor Dyer requested Staff follow-up on those employees whose spouses have other coverage and address it during the budget cycle. City Manager Muehlenbeck advised that after review of the Management Preparation Program, it was retained based on the minor cost as compared to the benefits derived. Director of Finance Tacke spoke to the cost savings realized by moving over-65 retirees to an alternate program.

Director of Finance Tacke spoke to “no choice” programs including monitoring bond sales, tax increment finance administration and “choice” items (economic development and audits). She advised regarding court administration revenues generated (\$7.9 million) versus costs (\$2.1 million) and spoke to the savings realized by “special projects” in purchasing the new court system. Ms. Tacke advised that the annual audit is “no choice” and to the retention of some general accounting functions, stating that the Redflex contract could be outsourced to save costs. She spoke to the efficiency of payroll operations, accounts payable/receivable and advised there may be no savings in outsourcing these items. Ms. Tacke advised that Property Management Programs are included in an enterprise fund and are cost neutral; spoke to savings through reorganization in the purchasing area; the role of the treasury in debt management and securities; and Financial Systems Administration who support the accounting functions. Director of Fleet Services Ryan spoke to a reduction in the number of vehicles and to maintenance issues. City Manager Muehlenbeck spoke regarding plans for a bond sale in January.

Risk Manager Edwards spoke to managing costs for subrogation, workers compensation claims, the need for a risk control program and training to provide in-house expertise for management.

City Manager Muehlenbeck responded to Mayor Dyer regarding Staff reductions over the last two years and to the new fire fighter positions that will be added. Deputy Mayor Pro Tem Dunlap spoke to a possible reduction in Council stipends and Council Member Smith spoke to attracting all citizens to serve on the Council. She and Mayor Pro Tem LaRosiliere spoke to declining the stipend if members so choose. The Council spoke to meals being appropriate for board/commission day programs and Deputy City Manager Hogan spoke to the Parks and Recreation Planning Board ceasing meal service beginning in January. Mayor Dyer spoke to addressing Council meals at a later time.

City Manager Muehlenbeck spoke to securing monies from hotel/motel taxes for development of a new convention center and funding historic and arts groups at a lower percentage. Council Member Callison spoke to the effect of the economy on the arts groups and ensuring the timing is right for a shift. Mayor Pro Tem LaRosiliere spoke to notifying arts groups if grants will be scaled down. City Manager Muehlenbeck advised that Staff would bring back information regarding alternatives for center funding and for graduated grants to the arts groups. In response to Deputy Mayor Pro Tem Dunlap, he spoke regarding meetings with the Arts of Collin County to determine the project’s status as well as operations and maintenance costs. The Council discussed special event grants and stated a consensus to have a committee review these requests prior to the budget session.

Council Appointees

Municipal Judge Stevenson spoke to the Juvenile Case Managers as a “quality of life” program and provided at no cost to the City; the Building Security Fund paid for by court costs and to funds available to cover expenses for five years; and to the Court Technology Fund where state statutes prohibit fees collected to be spent on personnel. He advised that court operations is a “choice” and spoke to magistrate operations and having judges available 24 hours a day to perform functions. Judge Stevenson spoke the Teen Court Program, paid for by defendants throughout the year.

City Secretary Zucco spoke to expansion of the department to include Records Management and the “no choice” areas of open record coordination and retention of records and charge back of costs to departments. She spoke to costs for warehousing, scanning, and the action center and advised that postage and equipment costs for mail services are \$290,000 per year. Ms. Zucco advised that in the City Secretary’s office most items are “no choice,” and spoke to the January 2010 election as a supplemental appropriation. She spoke to creation of the paperless agenda packet, legal publications, income received from alcoholic beverage permits in the City, and customer service provided by the department. Ms. Zucco spoke to coordinating the boards/commissions and utilization of an on-line application process in 2009.

City Attorney Wetherbee spoke to the reductions in Staff and other cities that do not have in-house attorneys. She spoke to utilizing a mentor program to reduce costs, her department acting as a corporation counsel, disposition of lawsuits, and recovering monies due the City.

Director of Budget and Research Rhodes-Whitley spoke to areas of “no choice” including preparation of a budget and regarding her role as the tax assessor. She spoke to her department coordinating special projects including the core business matrix and budget projections.

Ms. Rhodes-Whitley spoke to retiree payouts and Mayor Dyer requested a briefing on this and other employee benefits. She further spoke to costs for unemployment insurance, central appraisal district estimates, electrical/water costs for the City. Ms. Rhodes-Whitley spoke to retiree health insurance costs, vacation/sick-leave buy backs, holiday luncheon, minor apparatus, funding of Technology Services, departmental awards, regional/national association memberships, departmental transfers, and social service add-ons.

City Manager Muehlenbeck spoke to the duties of the Internal Audit Department to produce reports to streamline operations, audit arts groups, and complete special projects. He advised that Economic Development attracts business, develops the incentive fund program, provides business retention and expansion services, and coordinates redevelopment efforts. Mr. Muehlenbeck spoke to providing information on the potential of issuing debt for water and sewer as opposed to pay as you go. Mayor Dyer thanked the Staff for their work and requested the Council forward any questions.

Nothing further was discussed and Mayor Dyer adjourned the meeting at 5:28 p.m.

Phil Dyer, Mayor

ATTEST:

Diane Zucco, City Secretary