

PLANO CITY COUNCIL
August 24, 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

Mayor Dyer convened the Council into the Regular Session on Monday, August 24, 2009, at 7:02 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 Alice Coder – First United Methodist Church and the Pledge of Allegiance was led by Mayor Pro Tem LaRosiliere.

Mayor Dyer presented proclamations recognizing the 30th Annual Plano Balloon Festival and Swing Fore! - Yellow Charity Golf Classic Day.

COMMENTS OF PUBLIC INTEREST

Michael Openshaw of the North Texas Tea Party Association, spoke to his organization's concern regarding the direction of city government and the essentials of police/fire protection, water/sewer service and transportation and property issues. He stated concern regarding spending monies for bond proposals and in support of further reductions. Terrell Mendenhall, citizen of the City, spoke to his participation in other municipalities and the opportunity to serve Plano.

CONSENT AGENDA

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

Approval of Minutes (Consent Agenda Item “A”)

August 10, 2009

August 15, 2009

Approval of Expenditures

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

Bid No. 2009-140-B for Three (3) ¾ Ton Pick-Up Trucks with Animal Control Bodies to Philpott Motors LTD in the amount of \$107,661. (Consent Agenda Item “B”)

Bid No. 2009-111-C for the Uninterruptible Power Supply System to Paradigm Traffic Systems Inc. in the estimated annual amount of \$295,240 and authorizing the City Manager to execute all necessary documents. This will establish an annual contract with three optional one-year renewals. (Consent Agenda Item “C”)

Purchase from an Existing Contract

To approve the purchase of Acoustical and Ventilation Additions to the Gun Range in the amount of \$203,064 from Kellogg, Brown and Root Services, Inc. through an existing contract/agreement with The Cooperative Purchasing Network (TCPN) and authorizing the City Manager to execute all necessary documents. (TCPN Number R4895) (Consent Agenda Item “D”)

Adoption of Resolutions

Resolution No. 2009-8-10(R): To authorize the purchase of Software Maintenance and System Support as a sole-source procurement from Polaris Library Systems, exclusive suppliers of software maintenance for Polaris Software, in the amount of \$79,663 for the Plano Public Library System, authorizing its execution by the City Manager; to take such action and execute such documents as necessary to effectuate the purchase approved herein; and providing an effective date. (Consent Agenda Item “E”)

Resolution No. 2009-8-11(R): To ratify and approve the execution of a Funding Agreement between the Plano Convention and Visitors Bureau and the North Texas Super Bowl XLV Host Committee providing for the payment of \$38,200 as Plano’s contribution to support the Super Bowl XLV Bid Process; and providing an effective date. (Consent Agenda Item “F”)

Resolution No. 2009-8-12(R): To approve the terms and conditions of a Memorandum of Understanding by and between the City of Richardson and the City of Plano for funding of modifications to the Plano/Richardson Police Training Center Gun Range in the total amount of \$203,064; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “G”)

Resolution No. 2009-8-13(R): To approve the terms and conditions of an Interlocal Agreement by and between the City of Plano, Texas and the Frisco Independent School District for the operation of the Police/School Liaison Program; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “H”)

Resolution No. 2009-8-14(R): To approve the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano and Collin County, Texas, for Intersection Improvements at Preston Road and Legacy Drive; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “I”)

Resolution No. 2009-8-15(R): To approve the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano and Collin County, Texas, concerning the Widening and Extension of Rasor Road from Ohio Drive to SH 121; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “J”)

Resolution No. 2009-8-16(R): To ratify the Takeover Agreement by and between Liberty Mutual Insurance Company and the City of Plano for completion of the Animal Shelter Addition; approving its execution by the City Manager; and providing an effective date. (Consent Agenda Item “K”)

Resolution No. 2009-8-17(R): To repeal Resolution No. 2008-4-40; adopting a new resolution authorizing a preference for bids that include cement as a component of the bid and where that cement is produced by cement manufacturing facilities that meet or are below the source cap limits for emissions established by the Texas Commission on Environmental Quality (“TCEQ”); preference may only be given if the total cost of the goods or services would not exceed 105% of the cost of goods or services provided by a vendor who does not meet or are below the TCEQ standards; authorizing the City Manager to approve any documents necessary to effectuate this resolution; and providing an effective date. (Consent Agenda Item “L”)

Resolution No. 2009-8-18(R): To approve the settlement between the City of Plano and Plano International Preschool, Inc. in the amount of \$109,940; authorizing the City Manager to execute any and all documents necessary to finalize such settlement; and providing an effective date. (Consent Agenda Item “M”)

Adoption of Ordinances

Ordinance No. 2009-8-19: To transfer the sum of \$29,700 from the Property Management Fund Unappropriated Fund Balance for Fiscal Year 2008-09 to the Property Management Fund Operating Appropriation for the purpose of providing additional funding for the demolition of Downtown Center South; amending the budget of the City and Ordinance 2008-9-15, as amended, to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date. (Consent Agenda Item “N”)

Ordinance No. 2009-8-20: To amend Section 12-100 of Article V. Stopping, Standing and Parking of Chapter 12. Motor Vehicles and Traffic of the Code of Ordinances of the City of Plano to prohibit stopping, standing or parking a motor vehicle in certain specified places; providing a repealer clause, a savings clause, a severability clause, a penalty clause; and providing an effective date. (Consent Agenda Item “O”)

Ordinance No. 2009-8-21: To abandon all right, title and interest of the City, in and to that certain Park Vista Road Right-of-Way being situated in the M.R. Foster Survey, Abstract Number 332, which is located adjacent to the Grand Estates of Breckinridge Addition, within the City limits of Plano, Collin County, Texas; quitclaiming all right, title and interest of the City in such right-of-way to the abutting property owners, Anis Rahman, Edgar Zuniga, and Esmeralda V. Zuniga, to the extent of its interest; authorizing the City Manager to execute any documents deemed necessary, and providing an effective date. (Consent Agenda Item “P”)

Ordinance No. 2009-8-22: To amend Ordinance No. 2006-6-29, currently codified under Chapter 12 (Motor Vehicles and Traffic), Article IV (Speed), Section 12-73(d) of the City of Plano Code of Ordinances, to delete school zones on Independence Parkway from north of Prairie Creek Drive to south of Mollimar Drive, and from north of Vidalia Lane to south of Oakland Hills Drive, and from north of Ridge Creek Lane to south of Ridge Creek Lane; to revise the designated times of operation for the school zone on Westwood Drive between Aldridge Drive to south of Janwood Drive; and providing a penalty clause, a repealer clause, a severability clause, a savings clause, a publication clause, and an effective date. (Consent Agenda Item “Q”)

END OF CONSENT

Ordinance No. 2009-8-23: To terminate the Water and Wastewater Impact Fee Program and repealing Article X Impact Fee Advisory Committee of Chapter 2 Administration of the City of Plano Code of Ordinances in its entirety and repealing Article VI Impact Fees of Chapter 21 Utilities of the City of Plano Code of Ordinances in its entirety; and providing a repealer clause, a savings clause, a severability clause, and an effective date. (Regular Agenda Item “1”)

Senior Planner Sims spoke to the Impact Fee Program started in 1990 when cities were permitted to collect fees to offset the costs of new infrastructure and recent feasibility studies to consider its discontinuation. He spoke to distribution of remaining fund balances, closing the program and sunseting the committee.

Upon a motion made by Council Member Jackson and seconded by Council Member Callison, the Council voted 8-0 to terminate the Water and Wastewater Impact Fee Program and adopt Ordinance No. 2009-8-23.

Discussion and Direction Regarding Budget Recommendations for 2009-2010 (Regular Agenda Item "1")

City Manager Muehlenbeck provided information regarding development of the budget including the Core Business Matrix Model which provided a breakdown of all services provided by the City along with the full-time equivalent positions. He spoke regarding cuts of \$10.4 million approved by Council in March and validated in June with reductions included in the recommended budget. Mr. Muehlenbeck advised that during the budget worksession, the Council requested alternatives to the tax rate increase and an additional \$50,000 in grant funds. He advised regarding the forecast indicating a \$22.8 million deficit in FY 2010-11 and a \$30.5 million deficit in 2011-12.

Mr. Muehlenbeck advised that the FY 2010-11 deficit equates to a 9.45 cent tax rate equivalent composed of a 2.17 cent (\$5.3 million) loss in property value; 1.98 cents (\$4.8 million) in debt; 1.24 cents (\$3 million) for health insurance and TMRS; 1.04 cents (\$2.5 million) for operating expenses related to CIP projects; and 3.02 cents (\$7.3 million) for fund balance requirements. He reviewed the operating costs of various departments and advised that bond companies consider the balance between reduction of expenditures and maintenance of the quality of life. Mr. Muehlenbeck spoke to the services provided, pay philosophy and competition with surrounding cities for employees, noting that there will not be a salary increase in 2009-10 and that over 100 jobs have been cut in the past year. He advised regarding the dynamic nature of the budget, the current shortfall of \$5 million and spoke to an alternative including a \$2.9 million reimbursement of capital reserve costs from Collin County, \$1.09 million from developer's escrow, and \$1 million from the Equipment Replacement Funds. Mr. Muehlenbeck advised that his recommendation would be a tax increase to begin buying down the amount required to support the upcoming budget and responded to the Council that the Capital Reserve Fund has been used to pay cash for projects rather than funding through debt. He advised that reductions in these accounts would not impact bond consideration, but that they would look at future deficits.

Director of Public Works/Engineering Upchurch spoke to Staff identification of the capital reserve reimbursements and compiling figures on the funds in the developer's escrow. Budget Director Rhodes-Whitley advised that if monies were drawn from the equipment replacement fund there would be a balance of \$9.3 million for future use.

Mayor Dyer requested speakers come forward for this item. Citizen Robert Miller spoke to the level of services provided in the City and in support of a tax increase. Citizen J.D. Williams spoke to maintaining the quality of life by increasing the tax rate. Citizen James Craft spoke to the value offered by the City, maintaining the apparatus replacement program in support of a tax increase. Citizen Gail Bailis spoke to the importance of services provided by Plano libraries. Citizen Andre Vanderryst spoke to not spending money the City does not have and stated concerns related to the day-laborer center. City Manager Muehlenbeck responded to Citizen Doug Gleason, advising that the City has two budgets (one for operating/maintenance and one for CIP) and Mr. Gleason requested the Council consider whether items are essential before moving forward with construction.

Citizen Kelly Dougherty spoke to the programs, free activities and library system offered by the City and to raising taxes to support these efforts. Citizen Judy Lewis spoke to utilizing senior citizens as volunteers in the City. Citizen T.J. Johnson spoke to the quality of life in Plano attracting businesses and citizens and to balancing the needs of the City in addressing the shortfall. She spoke in support of the tax increase proposed. Citizen David Fincannon stated concern that the City would add to the struggles of citizens by increasing taxes and to future recovery. Citizen Robert Woods spoke to the large overall cost of a tax increase and recommended alternatives including reducing sprinklers on City property. Citizen Diane Hickle spoke regarding past raises provided to City employers and to providing a freeze in salaries. City Manager Muehlenbeck responded to citizen Kevin MacGibbon, advising that the Saturday budget worksession reviewed grants, projects and the projected shortfall and spoke to the identification of \$10.4 million in cuts. Mr. MacGibbon requested the Council reconvene to review other cost-cutting measures including a reduction in each department.

Citizen Sylvia Acuff spoke to the City of Plano as comparable to the City of Dallas with regard to taxes and offering many of the same amenities. Mayor Dyer spoke to the difference in tax rates between these cities. Citizen Fred Frawley spoke to the quality of life in the City and the good job done maintaining services. He further spoke regarding the Friends of the Plano Library who raise monies each year for unfunded programs including professional training for reference libraries. Citizen Steve Stovall spoke to possible reduction of services jeopardizing the bond rating and affecting property values. He spoke in support of the City Manager's recommendation, the importance of reserve funds and to passage of the tax increase. Citizen Janet Stovall spoke to employees taking on work of lost positions, increases in health insurance costs, employees who seek employment elsewhere and in support of the tax increase. She spoke to development of a task force to define the quality of life in the City and recommend a long-term plan. Citizen David Downs spoke to acting in a visionary manner considering what the City will look like in the future and to voting in support of the tax increase.

Citizen Joe Minchillo spoke in opposition to the tax increase and to the Council being fiscally responsible. Citizen Susanne Blackstone spoke in opposition to the tax increase, salary increases and to scrutinizing areas of the budget and looking into health savings accounts. Citizen Scott Johnson spoke to the difficulty of reversing possible decline, those employed in the City who spend their money here, taxes paid by commercial property owners, the low tax rate, economic development fund and in support of the tax increase. Citizen Celeste Bederka spoke regarding areas that could be reduced without impacting quality and to the importance of infrastructure, public safety and security. She spoke to reducing mowing and yard waste pickup and being more fiscally responsible. Citizen Daniel Casper stated concern that the City is providing some services at the expense of others, and spoke to the level of debt, public/private partnerships, possible sale of City land and funding of arts. Citizen Cliff Defore spoke to utilizing recreation pools for physical therapy and consideration of raising the fees to keep centers open. No other speakers addressed the Council.

City Manager Muehlenbeck spoke to options including enacting an increase in fees, reduction of services, or continuing to review the budget for monies. He spoke to addressing the General Fund, the City's record of relying on growth, and ad valorem exemptions provided. Mr. Muehlenbeck spoke to the strength of the City in carrying forward incentives for companies to move to Plano which will help strengthen the tax base.

Ms. Rhodes-Whitley responded to Council Member Jackson, advising that the proposed deficit for 2010-11 includes the tax increase recommended for FY 2009-10 and stands at \$23 million (9.45 cents) with 2011-12 at \$31 million (15 cents). She spoke to working down the budget deficit for coming years

Mayor Pro Tem LaRosiliere spoke to determining if the property tax increase is necessary and sufficient, retaining the City's quality of life (an intangible factor), maintaining the decisions made by citizens through the bond election process, and attracting businesses. He spoke to services provided by employees and those moving on to other municipalities following training. Mr. LaRosiliere spoke to funding cuts at 2.5 times the proposed tax increase; the slowdown in sales tax; commercial property values; property tax exemptions; determining value versus cost; and in support of the 1.51 cent increase.

Council Member Callison spoke to development of the core matrix; reducing the budget by \$10.4 million and over 100 positions; and to having a plan that not only balances the current year, but includes a long-term vision of the future. She stated concern that there may be a reduction in the City's standing which would impact its ability to attract and retain business and spoke to the need to approach the budget in a balanced manner and accept Staff's proposed increase of 1.51 cents. Mayor Dyer stated the Council's consensus to move forward with Staff's proposed increase.

Ms. Rhodes-Whitley responded to Mayor Pro Tem LaRosiliere stating that the \$62,000 expense previously discussed for the Carpenter Recreation Center is the current subsidy and that while Council previously discussed inclusion of the pool, only center expansion was recommended. She advised that development of the pool was moved out to the following year

There being no further discussion, Mayor Dyer adjourned the meeting at 9:57 p.m.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, City Secretary