

PLANO CITY COUNCIL

WILL OPEN THE MEETING AT 5:00 P.M. AND IMMEDIATELY THEREAFTER CONVENE INTO EXECUTIVE SESSION, FOLLOWED BY THE PRELIMINARY OPEN MEETING IN THE PLANO MUNICIPAL BUILDING, 1520 K AVENUE, MARCH 14, 2016, IN COMPLIANCE WITH VERNON'S TEXAS CODES ANNOTATED, GOVERNMENT CODE CHAPTER 551 (OPEN MEETINGS ACT), AS FOLLOWS:

Mission Statement: The City of Plano is a regional and national leader, providing outstanding services and facilities through cooperative efforts that engage our citizens and that contribute to the quality of life in our community.

CALL TO ORDER

EXECUTIVE SESSION

- | | | | |
|------|---|----------------|---------|
| I. | Legal Advice
a) Respond to questions and receive legal advice on agenda items
b) Indemnification of Officers, Section 2-10 City Code of Ordinances and Resolution No. 2015-10-12(R)
c) Ethics - Section 255.003 Texas Election Code; Section 39.02 Texas Penal Code; Chapter 2, Article IV City Code of Ordinances | Mims | 30 min. |
| II. | Economic Development
Discuss a financial offer or other incentive to a business prospect to locate, stay, or expand in Plano and consider any commercial and financial information from the business prospect | Glasscock/Bane | 10 min. |
| III. | Real Estate
a) Douglass Neighborhood | Schwarz | 10 min. |
| IV. | Personnel - Appointment
a) North Texas Municipal Water District Board | Council | 5 min. |

PRELIMINARY OPEN MEETING

I.	Consideration and action resulting from Executive Session discussion Personnel - Appointment a) North Texas Municipal Water District Board	Council	5 min.
II.	Sales Tax Model and Forecast	Rhodes-Whitley	15 min.
III.	Capacity, Management, Operations, and Maintenance Implementation (CMOM)	Cosgrove/North Texas Municipal Water District	30 min.
IV.	International Building Code Briefing	Mata	15 min.
V.	Storm Weather Preparedness	Little	15 min.
VI.	Consent and Regular Agendas	Council	5 min.
VII.	Council items for discussion/action on future agendas	Council	5 min.

In accordance with the provisions of the Open Meetings Act, during Preliminary Open Meetings, agenda items will be discussed and votes may be taken where appropriate.

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal/L Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of building. The Senator Florence Shapiro Council Chambers is accessible by elevator to the lower level. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.



Memorandum

Date: March 10, 2016

To: Honorable Mayor and City Council
City Manager Glasscock
City Secretary Henderson

From: Alice Snyder, Assistant City Secretary

Subject: Personnel
Executive and Worksession Meetings

The following appointment will be considered at the March 14, 2016 Council meeting.

<u>Executive Session</u> -North Texas Municipal Water District Board	<u>Worksession Meeting</u>
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Memorandum

Date: March 14, 2016

To: Bruce D. Glasscock, City Manager

From: Karen Rhodes-Whitley, Budget Director

Subject: Sales Tax Cap/Model Discussion

During last August's Budget Worksession, the City Council requested a review of possible sales tax models for inclusion in the budget process. A presentation regarding our sales tax cap policy and sales tax models developed by Plano's Internal Audit Department is scheduled for this evening's City Council Worksession.

As you are aware, the City of Plano has operated under a sales tax cap since 2008 for budget projections each year. The cap serves to stabilize the volatility of this revenue source during periods of declining sales tax such as the current period. Sales tax collections have declined in five out of the last seven months. At present, current projections for sales tax collections are based on a three-year sales tax collection average after removing audit adjustments. This year's cap is projected at \$72.8M and has been included in the City's budget projections. Current policy states any amount collected over the cap can be transferred to the Capital Reserve Fund, Economic Development Incentive Fund, used for one-time expenditures or kept in the fund to offset the following year's budget.

A sub-committee was formed to review the possible alternatives from staff in Plano's Budget, Accounting and Internal Audit Departments. Internal Audit took the lead and developed four different prediction models using economic modeling theory that account for a variety of individual factors that affect sales tax such as population growth, building permits, leading economic indicators and the Dow Jones Industrial Average. These model parameters were then tested against historical data to determine the probability of a model, described in terms of percentages, and then assigned a description. For example, the 75% Above/25% Below model produces a \$72.7M projection with a description of Conservative. This means there is a 75% chance that Plano's sales tax collections will end up above \$72.7M and a 25% chance collections will end below \$72.7M for FY 2015-16.

A discussion regarding the models and recommendations by the sub-committee will be presented at tonight's meeting. Attached you will find a copy of the sales tax presentation. Please let me know if you have any questions.

Sales Tax Cap Policy/Models

March 14, 2016

Presented by Karen Rhodes-Whitley,
Budget Director



Discussion Points

- Last August, the City Council requested the City to review possible sales tax models for inclusion in the budget process.
- Subcommittee formed to review possible alternatives consisting of Budget, Finance and Internal Audit.
- Internal Audit developed a series of models that can be used to monitor our sales tax forecast in addition to our current three-year sales tax cap model and MuniServices Forecasting Model.



Sales Tax Cap History

- In 2008, a cap was placed on sales tax projections at \$57 million.
- In 2012, the cap was changed to a three-year average.
- Due to the economic downturn, the cap was placed on sales tax projections in order to limit the amount of collections to be used to support existing operating expenditures.
- The policy states that any amount collected over the sales tax cap could be transferred to the Capital Reserve Fund and /or the Economic Development Incentive Fund, could be used to fund one-time expenditures or kept in the fund balance to offset the following year's budget.
- The cap serves to stabilize the volatility of the revenue source during periods of declining sales tax such as the current period.



Sales Tax Collections since August 2015

- Sales tax collections have declined five out of the last seven months
 - Total loss of \$2.5M since August
 - December sales tax declined \$1.0M
 - Most of the decline came from Technology Sector
 - Loss to on-line sales contributed to the decline
- Notified that a Network Infrastructure company is relocating to another city
 - Projected annual sales tax loss of \$1.5M



Annual Sales Tax Receipt Percentage Changes From Prior Year Actual



Sales Tax Collections and Audit Adjustments

FY 2008-09 to Present

Fiscal Year	Audit Adjustments	380 Agreements	Collections
2008-09	(\$911,250)	\$838,730	\$56,487,233
2009-10	\$288,727	\$589,640	\$57,992,069
2010-11	\$377,316	\$691,692	\$62,630,791
2011-12	\$3,444,408	\$723,235	\$69,868,331
2012-13	\$175,529	\$710,325	\$68,723,680
2013-14	\$912,207	\$771,142	\$73,976,157
2014-15	\$1,856,197	\$895,372	\$76,829,245
2015-16 YTD	\$126,410	\$275,238	\$32,642,153



Sales Tax Cap Policy – Funding Initiatives since 2008

- Provided an additional \$13.1 million to the Capital Reserve Fund
 - Capital Reserve now funded at 68% of annual depreciation - goal 75%
- Provided an additional \$6.6 million to the Economic Development Incentive Fund
- \$1M for Salt & Sand Storage – One-time
- \$500K for one-time expenditures at Oak Point Nature Preserve



Sales Tax Assumptions

- Actual FY 2014-15 was \$76,829,245
 - Net sales tax agreements of \$895,372
- Revised 3-year average per City Council policy-net audit adjustments is \$72,781,478
 - Projected for FY 15-16 Re-estimate & FY 16-17 Budget
- First five month collections (since Oct.1) for 2015-16 sales tax is down \$1.1 million as compared to last year.



Sales Tax Prediction Models

- Four sales tax prediction models developed:
 - Created using economic modeling theory
 - Analyzes 15 years of past collections plus current year-to-date information
 - Tests individual factors affecting sales tax such as population growth, building permits, Dow Jones Industrial Average.
 - Percentage of projected actual collections.
- 380 Agreements are not excluded from the models



Sales Tax Model Projection

2016 Based on Fiscal YTD	Actual Above/Below	Description
\$79,080,490	10% Above / 90% Below	Optimistic
\$75,420,648	50% Above / 50% Below	Most Likely
\$71,082,976	90% Above / 10% Below	Pessimistic
\$72,709,603	75% Above / 25% Below	Conservative

Three-Year Average - \$72,781,478



Recommendation

- Continue with the three-year average cap policy.
 - \$72.8M is close to the 75%/25% model level
- Monitor sales tax prediction models on a monthly basis for trend information and changes in economic condition.
- Present to Council in March and July of each year updated details regarding sales tax collections for forecasting purposes and inclusion in the annual budget.
- An additional slide will be added to the monthly financial report presented to Council to sales tax trends.



QUESTIONS??

Director of Budget & Research - Karen Rhodes

972-941-7472

karenr@plano.gov





North Texas Municipal Water District

*“Regional Service Through Unity ...
Meeting our Region’s Needs Today and Tomorrow”*

**Plano City Council Meeting
March 14, 2016**



Reliability of our region's wastewater systems is critical to:

- Safeguard public health
- Protect our drinking water supplies
- Sustain our thriving economy
- Support outdoor recreation
- Protect the environment





Many parts of the country, including our region, experience sanitary sewer overflows

- Common Causes
 - Aging pipes
 - Illegal storm & roof drain connections
 - Grease clogs
 - Roots
 - Debris
 - Pipe collapse
 - Poor construction





CMOM Is Used To Address These Causes



Examples

- Capacity
 - Monitoring
 - Modeling
- Management
 - Training
 - Fats, Oils, & Grease Plan
- Operations
 - Flow metering
 - Overflow emergency response
- Maintenance
 - Maintenance management system
 - Condition assessment
 - Sewer cleaning



EPA National Enforcement Initiative: Wastewater Systems Overflows



EPA Inspected NTMWD's and Member Cities' Wastewater Systems in 2014/2015

NTMWD Regional WW Members		NTMWD Regional WW Customers	NTMWD Sewer System Participants
Allen	Current EPA Focus	Anna	Farmersville
Forney		Fairview	Fate
Frisco		Lucas	Frisco
Heath		Melissa	Lavon
McKinney		Parker	Murphy
Mesquite			Rockwall
Plano			Royse City
Princeton			Seis Lagos UD
Prosper			Wylie
Richardson			
Rockwall			
Seagoville			



Potential EPA Compliance Approaches

Letter

- Self guided implementation of corrective measures
- Continued participation in regional approach
- Comprehensive CMOM implementation expected

Administrative
Order

- Enforcement administered by EPA Region 6
- Short document, tailored to specific situation
- Individual agreements
- CMOM program req, in collaboration with Region

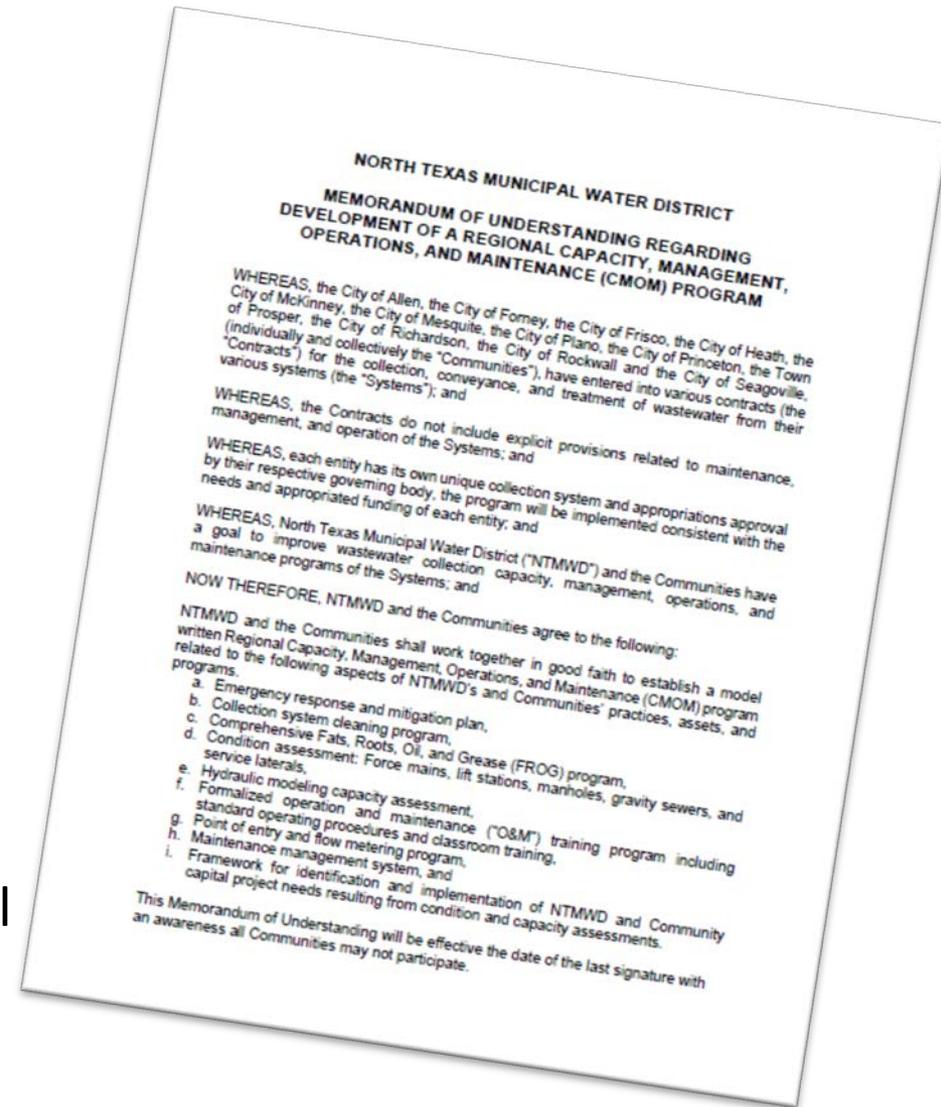
Consent
Decree

- Enforcement negotiated with EPA and DOJ in DC
- Long, detailed, starts with DOJ requirements list
- Typically **more expensive** to implement (**2 – 20x**), little flexibility



Regional Collaboration Avoided Consent Decrees

- MOU executed by all **demonstrated commitment** of parties (cities & NTMWD) to each other and EPA
- Work together to develop a **model Regional CMOM program**
- Focuses on regional wastewater system members
- Provides a forum to work regionally to establish desired outcomes of enforcement action
- Model program establishes consistency with understanding all parties' unique implementation

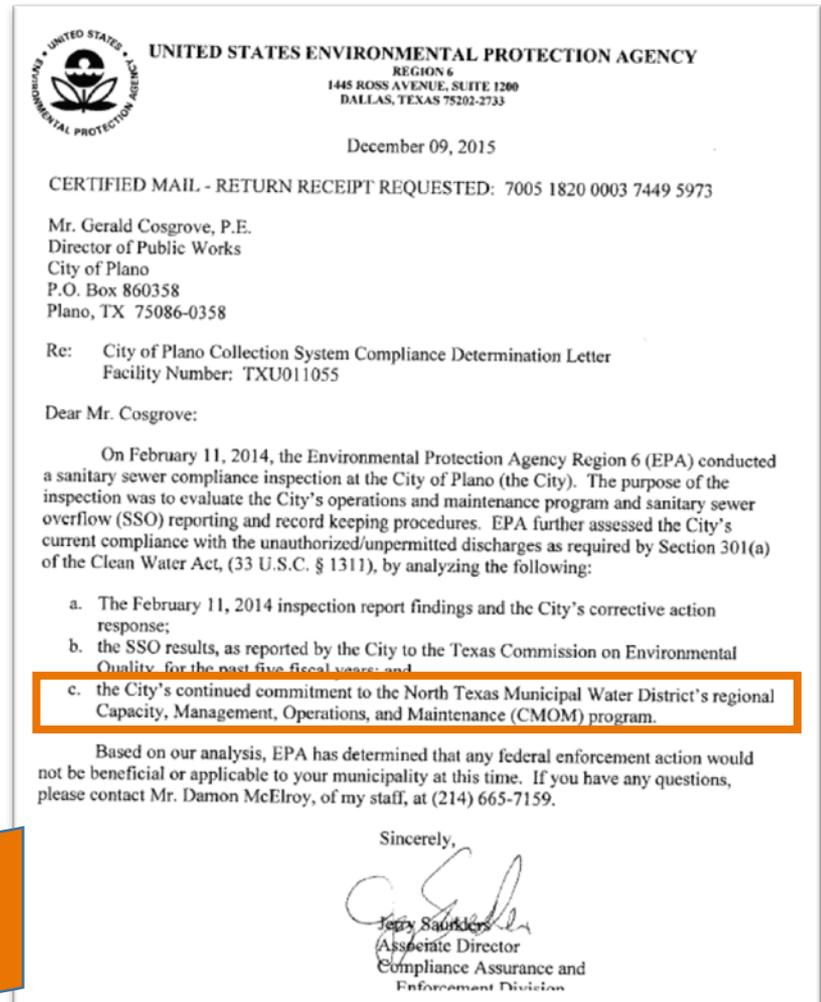




“Continued Commitment” to Regional CMOM Program Necessary

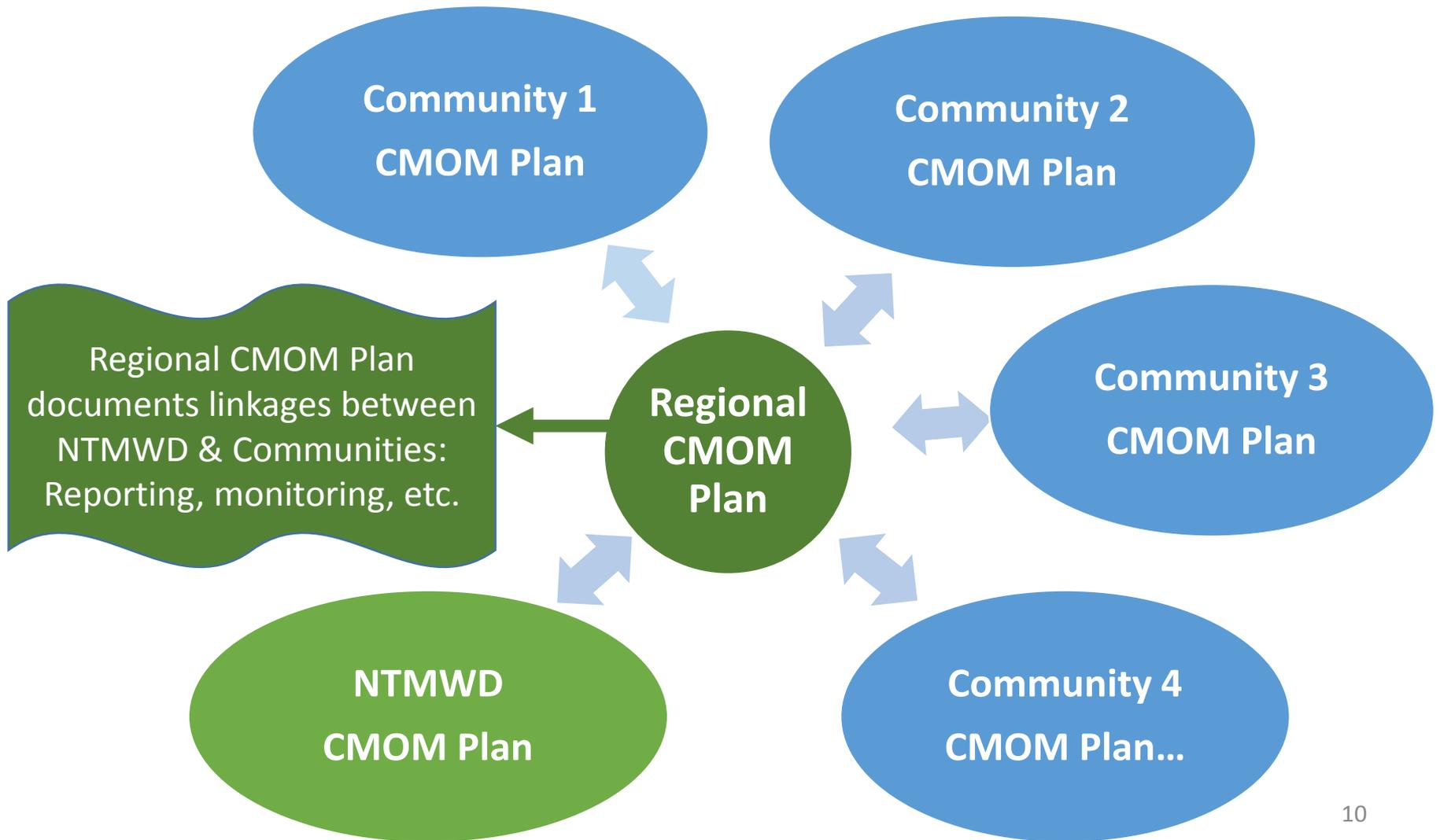
- Enforcement action deferred dependent on:
 - Participation in Regional CMOM Program
 - Development of City of Plano CMOM Plan
 - Implementing the actions and practices defined in the City’s CMOM Plan
 - Minimizing SSOs

Continued progress will retain flexibility & avoid \$10-100 million in mandated actions



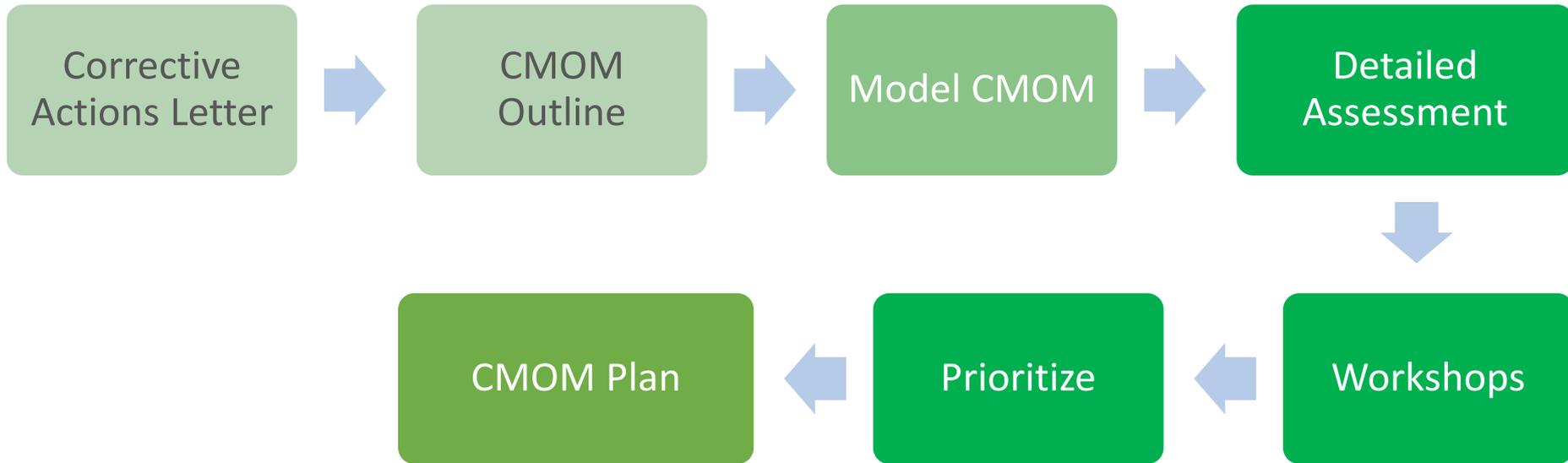


How the CMOM Plans are Related





Developing a CMOM Plan



Will provide a written program to operate and maintain the collection system in accordance with industry practice



Examples of CMOM Implementation Activities to Minimize SSOs

- Regular cleaning of pipes
- Regular condition assessments (pipes, manholes, pump stations)
- Flow monitoring
- Smoke and dye testing
- System rehabilitation, replacement, and repair
- Capacity expansions to accommodate flows





Next steps in 2016

- Continue collaboration with NTMWD & Member Cities
- Develop detailed CMOM Plan consistent with regional approach
- Document implementation needs and estimate costs
- Work with staff to budget for implementation costs



**SANITARY SEWER SYSTEM
C.M.O.M. PROGRAM**
City of Normal, Texas

CAPACITY

MANAGEMENT



OPERATION

MAINTENANCE

Version 1.0
September 20, 2016



Collaborative Regional Approach Is Yielding Positive Results



- Demonstrated to EPA that right steps are being taken
- Framework to avoid future enforcement by implementing sustainable practices
- Saved the region hundreds of millions of dollars in mandated improvements compared with consent decrees

City of Plano & CMOM



How did we get here?

- EPA did an inspection on February 11, 2014 of the City of Plano Wastewater system
- EPA issued a report dated April 10, 2014, which was received by e-mail on June 2, 2014
- Plano representatives met with EPA in Washington on September 11, 2014
- Plano representatives met with EPA, Region VI in Dallas on October 9, 2014
- NTMWD, Plano and other member cities met with EPA, Region VI in Dallas on June 30, 2015
- MOU signed by NTMWD and all customer cities in August/September 2015
- Plano receives letter from EPA on December 9, 2015. Requires our continued commitment to the NTMWD Regional CMOM program



What are we doing?

- Plano is participating in the NTMWD Regional WW partnering meetings working on the Regional Model CMOM
- Plano hired Pipeline Analysis to prepare our individual CMOM
- Pipeline Analysis had a kickoff meeting with Plano staff on February 19, 2016.
- Staff in gathering information and a list of contacts required to complete the CMOM
- We plan to complete this process by the end of the year



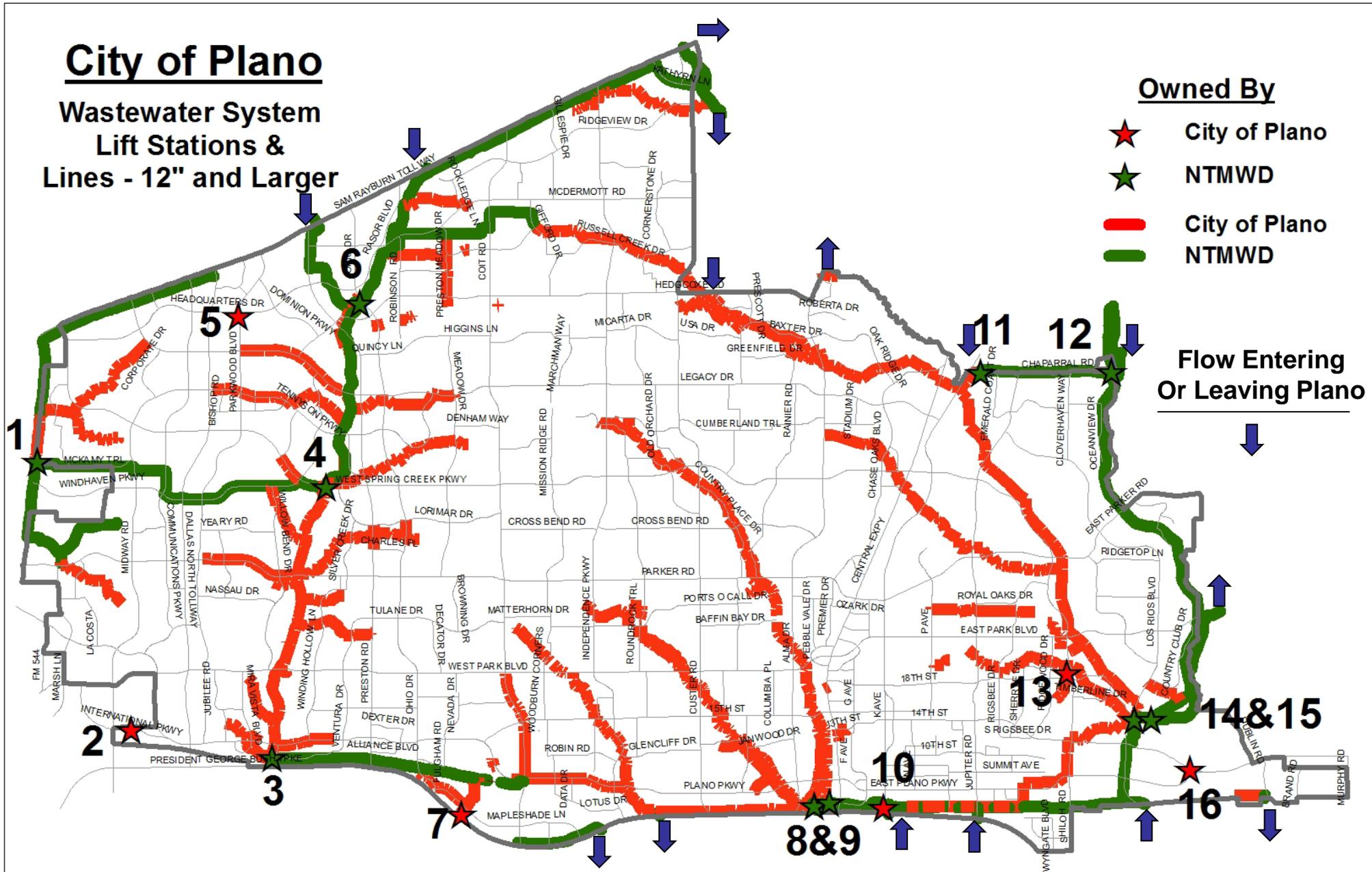
Why is this important?

- Plano cannot do this by itself
- How NTMWD and our neighboring cities impacts how Plano performs
- While Plano is in good shape, this is room for improvement
- If we work together, we can avoid future enforcement actions



City of Plano

Wastewater System Lift Stations & Lines - 12" and Larger



Owned By

- ★ City of Plano
- ★ NTMWD
- City of Plano
- NTMWD

Flow Entering Or Leaving Plano

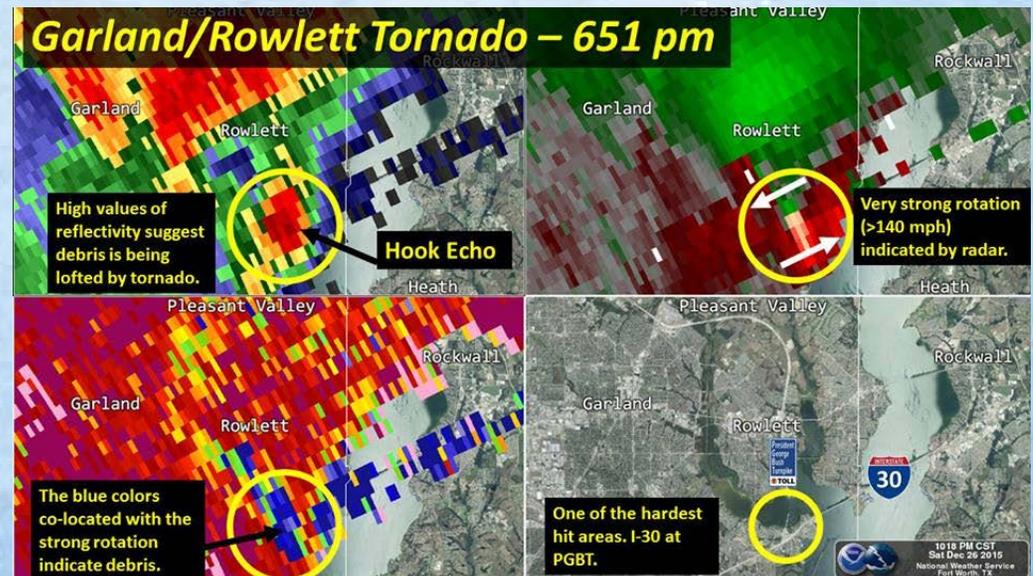


Question?



Severe Weather 101

Department of Emergency Management



Photos Courtesy of National Weather Service Fort Worth



What is Severe Weather?

- Weather phenomena causing:
 - Significant Damage
 - Social Disruption
 - Loss of Life
- Likelihood of events
 - April, May, June most common
 - Occur throughout the year



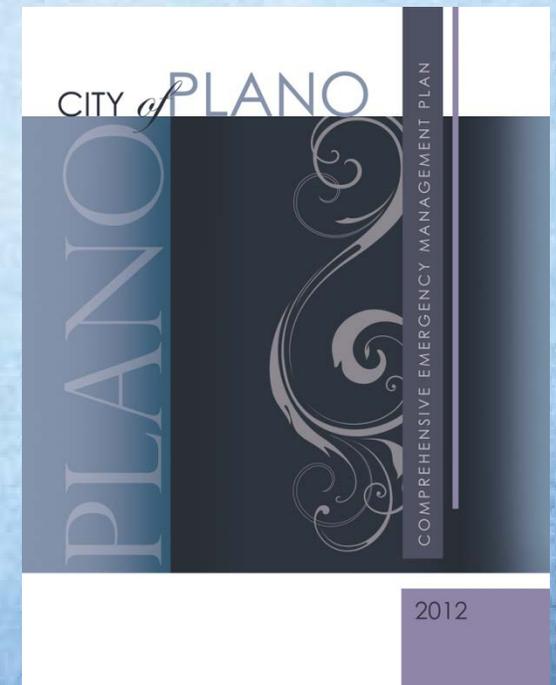
Planning Documents

- Comprehensive Emergency Management Plan (CEMP)
- Continuity of Operations Plan
- Disaster Debris Management Plan
- Hazard Mitigation Action Plan



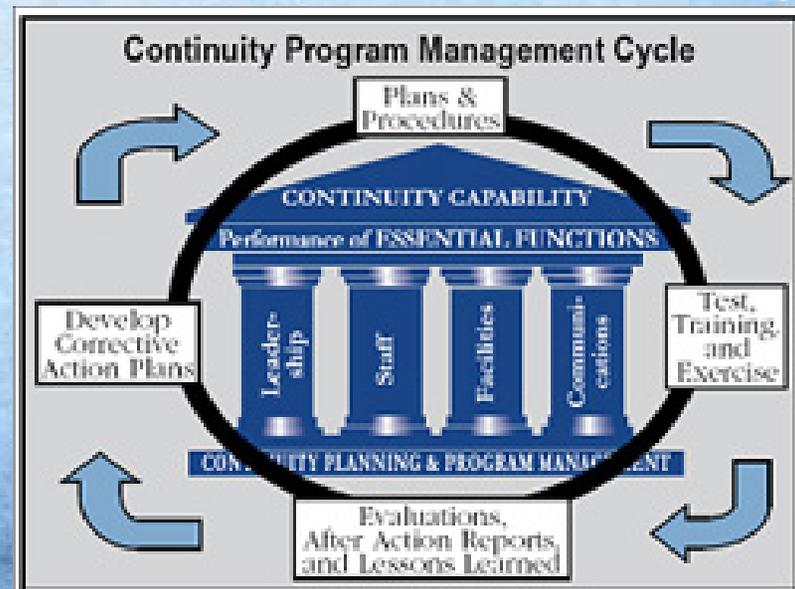
Comprehensive Emergency Management Plan

- All Hazards Plan
- Emergency Support Functions
- Support Annexes
- Hazard Specific Annexes
- Update in 2016



Continuity of Operations Plan

- Goals:
 - Minimize loss of life
 - Preserve essential functions
 - Protection of essential assets
 - Limit disruptions to operations
 - Timely recovery
- Department Specific



Disaster Debris Management Plan

- Multi-department Plan
- Addresses:
 - Debris type/amount
 - Capacity
 - Guidance and standards
 - Communication
 - Prevention
 - Removal



Hazard Mitigation Action Plan

- Natural Hazards
- Hazard Overview
- Vulnerability Analysis
- Establishes Goals
- Mitigation Projects



Severe Weather Monitoring

- Radar feeds
- NWS Chat
 - Integrated Warning Team
- CASA Radar
- Amateur Radio

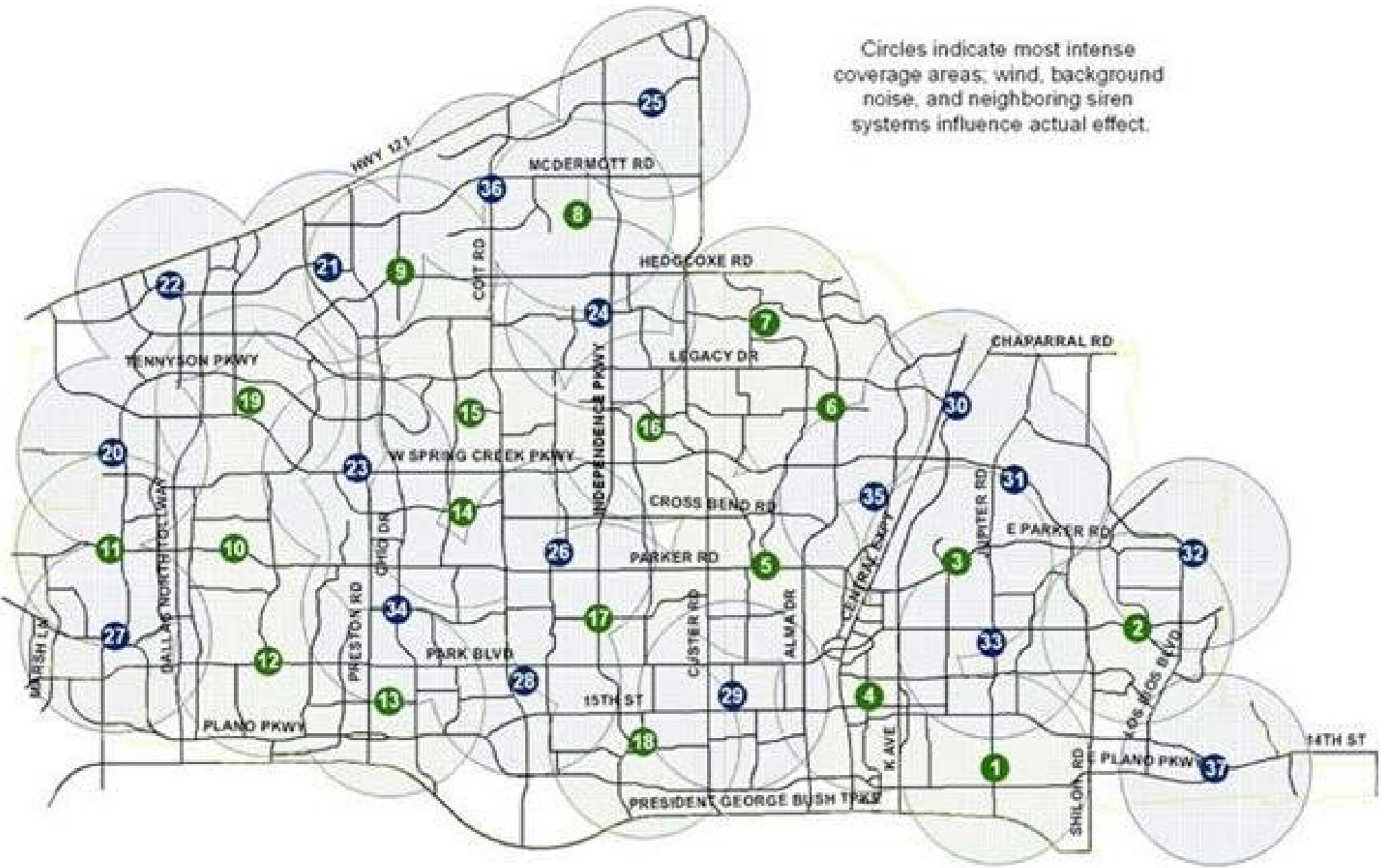


Outdoor Warning Siren System

- 36 Outdoor Warning Sirens
- Siren Criteria:
 - Confirmed tornado
 - Tornado Warning
 - 1 ¼ “ Hail (quarter size)
 - Destructive winds in excess of 70 mph
 - Request of city officials



Circles indicate most intense coverage areas; wind, background noise, and neighboring siren systems influence actual effect.



Other Warning

- Wireless Emergency Alerts
- NOAA Weather Radios
- Television Media
- Radio
 - WBAP 820 AM
 - KSCS 96.3 FM
- Highway Signs



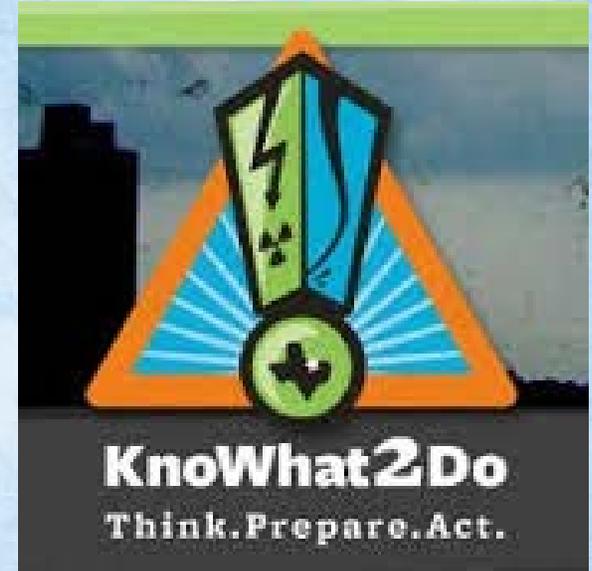
Preparedness

- StormReady Community
- SkyWarn Co-Host for Collin County
- Safe Room Rebate Program
- CASA Partner with NCTCOG
- Outreach



Outreach

- KnoWhat2Do
 - www.knowwhat2do.com
 - Guidebooks
 - Presentations
- Social Media
- Community Emergency Response Team



Questions

Emergency Management

Carrie Little

carriel@plano.gov



2016 - Discussion/Action Items for Future Council Agendas

March 18 – Neighborhood Leadership Council–7:30 am

March 25 – TEDx Plano – 4:00 p.m., Courtyard Theater

March 25-26 – Texas Music Revolution, The Amphitheater at Oak Point Park

March 28

- Presentation of the FY2015-16 Status Report and Three-Year Financial Forecast
- NTMWD Rate Discussion
- DART Report
- NTTA Capacity Improvements

April 8 – Police Annual Awards Banquet – 6:00 p.m.

April 11

- Public Works Departmental Report
- Parks and Recreation Departmental Report

April 14 – Plano Fire-Rescue Awards Ceremony – 6:00 p.m., Courtyard Theater

April 15 – Neighborhood Leadership Council–7:30 am

April 23 – Love Where You Live

April 25

- Comprehensive Monthly Financial Report – March 2016
- Public Safety Communications Departmental Report

May 9

- Planning Departmental Report
- Neighborhood Services Departmental Report

May 14 – Plano Fire-Rescue Appreciation Picnic – Noon, Heritage Farmstead

May 19

- ***Plano Police Memorial Service – 11:00 am Haggard Park***
- ***Town Hall – Senator Florence Shapiro Council Chambers – 7:00 pm***

May 23

May 30 – Memorial Day

June 2 - City Council and PISD Board Joint Meeting - Sockwell Center, 6:00 p.m. (Possible)

June 3 – Neighborhood Leadership Council–7:30 am

June 9 - City Council and PISD Board Joint Meeting - Sockwell Center, 6:00 p.m. (Possible)

June 13

- DART Report

June 9-12 – Texas City Management Association Conference – South Padre Island, TX

June 24-27 – Annual US Conference of Mayors – Indianapolis, IN

June 28 (Tuesday)

July 4 – Independence Day

July 25

- Comprehensive Monthly Financial Report – June 2016

July 27 (Wednesday)

- Budget Presentation