

CITY OF DENTON CITY COUNCIL MINUTES

August 9, 2016

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, August 9, 2016 at 1:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Briggs, Council Member Hawkins, Council Member Gregory, Council Member Bagheri, and Mayor Watts.

ABSENT: Mayor Pro Tem Roden; Council Member Wazny

1. Work Session Reports

A. ID 16-1049 Receive a report, hold a discussion, and provide staff with direction concerning audit activities and the City Auditor position.

Mayor Watts noted that there had been a request to postpone this item until Council Member Wazny and Mayor Pro Tem Roden were present. The item would be moved to the August 23rd meeting.

B. ID 16-958 Receive a report, hold a discussion and provide staff with direction concerning the extension of Ruddell Street at Mingo Road and a potential joint stormwater project with the Meadow Oaks development.

John Davis, Director of Engineering Services, stated that he would be providing an update on the Ruddell Street extension project and advise on a potential joint stormwater project. He reviewed the location of the project and the condition of the drainage in the area. The new crossing at Ruddell would provide a better crossing of the railroad tracks in the area. Two railroad crossing would have to be closed to accommodate the upgrade to the Ruddell crossing. The developer of the Meadow Oaks subdivision had requested a joint stormwater project in conjunction with the City's project to upgrade the railroad crossing.

Council discussed location of retention pond if needed, cost of retention pond if on city property, whether impact fees would apply and if so would they apply because the City may have delayed the project.

Consensus of the Council was to move forward with a joint agreement.

C. A16-0003a Receive a report, hold a discussion and provide staff direction regarding a Pre-Annexation Development Agreement between the City of Denton and Ryan Capital Partners, Ltd., concerning an approximately 80.9-acre property located on the south side of Ryan Road and east of Andrew Street.

Munal Mauladad, Deputy Director of Development Services, stated that the discussion would center on a pre-annexation development agreement between the City and Ryan Capital Partners. She reviewed the location map for the property, existing conditions, and background of the property which lies in the City's ETJ. The proposal included three tracts of land. She reviewed the details of the three tracts including the design enhancements. Tree preservation in terms of each of the tracts was provided as well as the development of Ryan Road.

Council discussed that the original presentation was for larger lots and this discussion was for smaller lots. There was a hesitation to agree to this proposal as it was changed considerably from the original presentation.

Mike Bell, Planner, stated that the only difference with NR-2 would be the maximum dwelling units.

Bob Shelton, developer, reviewed the prior proposal.

Council requested a presentation comparing the proposal from the prior discussion with the current proposal. The presentation should include a comparison with NR-2.

- D. ID 16-995 Receive a report; hold a discussion, and give staff direction regarding the FY 2016-17 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

Chuck Springer, Director of Finance, stated staff was preparing a memo regarding council's budget questions for presentation at the August 16th meeting.

Mayor Watts asked about the General Fund Five Year Forecast as presented on page 78 of the proposed budget. He questioned the 2015-16 estimate of what was budgeted; expenses that were budgeted; and an explanation of those expenses.

Springer presented a reconciliation of the General Fund base budget.

Council discussed health insurance costs and potential increases in the future.

Following the completion of the Work Session, the City Council convened in a Closed Meeting to consider the specific items listed below under the Closed Meeting section of this agenda.

1. Closed Meeting:

- A. ID 16-964 Deliberations Regarding Certain Public Power Utilities: Competitive Matters – Under Texas Government Code Section 551.086.

Receive a presentation from staff regarding public power competitive and financial matters related to the City's participation in, and the overall operational and financial aspects of, the Texas Municipal Power Agency; discuss and deliberate strategies regarding same; discuss, deliberate and provide staff with direction.

- B. ID 16-996 Certain Public Power Utilities: Competitive Matters --- Under Texas Government Code, Section 551.086.

Receive competitive public power competitive information and financial information from staff regarding the proposed FY 2016-2017 operating budget for Denton Municipal Electric ("DME") including without limitation, proposed rates for DME for FY 2016-2017, expected

revenues, expenses, commodity volumes, and financial commitments of DME; discuss, deliberate and provide staff with direction.

C. ID 16-1080 Consultation with Attorneys - Under Texas Government Code, Section 551.071

Consultation, discussion, deliberation, and receipt of information from the City's attorneys involving legal matters relating to the annexation or extension/renewal of non-annexation agreement for a potentially eligible property, and to provide the City Attorneys with direction, where a public discussion of these legal matters would clearly conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.

Following the completion of the Closed Meeting at 3:45 p.m., the City Council returned to the Work Session and continued the discussion of Item C.

C. A16-0003a Receive a report, hold a discussion and provide staff direction regarding a Pre-Annexation Development Agreement between the City of Denton and Ryan Capital Partners, Ltd., concerning an approximately 80.9-acre property located on the south side of Ryan Road and east of Andrew Street.

Aimee Bissett, Director of Development Services, reviewed the prior discussions regarding the site and the discussion which centered on the cost for improving Ryan Road and the cost of off-site sewer. The developer was asking for financial consideration of purchasing the interior site and participation in an off-site sewer agreement. The first proposal was 60-70 lots which was a challenge today. The reason for a density increase was increased costs the developer was incurring with such items as impact fees, participation in Ryan Road and requested additional amenities. She displayed the potential residential development presented in June.

Council discussed the residential development, ad valorem taxes and assumption of a new number of lots value.

Mauladad reviewed the second presentation given previously about the property and the non-annexation agreement.

Council discussed the cost of services expected to receive from the City as related to density; staff discussion with the developer possible adjustments and what that would do to the development. Possible adjustments to consider at the next meeting might include a minimum lot size to 10,000 square feet; looking at a combination of certain percentage being that size, percentage of homes higher than 25% for 2400 square foot homes; and a comparison if some of the amenities were removed to help reduce the density;

1. ITEMS FOR INDIVIDUAL CONSIDERATION

Resolution No. R2016-021

- A. ID 16-987 Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 20, 2016, City Council public meeting agenda to adopt a 2016 Tax Rate that will exceed the lower of the rollback rate or the

effective tax rate; calling two public hearings on a tax increase to be held on August 23, 2016, and September 13, 2016 and calling a budget public hearing on the Fiscal Year 2016-2017 Annual Program of Services of the City of Denton to be held on September 13, 2016; requiring publication of notices of the public hearings in accordance with the law; requiring the posting of the notices of the public hearings on the City's Internet website; requiring the posting of the notices on the City's public access channel; and providing an effective date.

Chuck Springer, Director of Finance, stated that State Tax and Local Government Codes required two public hearings to consider the tax rate. The resolution would also call a public hearing on the budget.

Council Member Gregory motioned, Council Member Hawkins seconded to approve the resolution. On roll call vote, Council Member Briggs "aye", Council Member Gregory "aye", Council Member Hawkins "aye", Council Member Bagheri "aye" and Mayor Watts "aye". Motion carried unanimously.

2. CONCLUDING ITEMS

- A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Council Member Briggs requested an update on the Mingo Road Bridge.

Council Member Briggs requested an update on the railroad quiet zones.

With no further business, the meeting was adjourned 4:08 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS