

**MEMORANDUM**

DATE: August 10, 2022
TO: Honorable Mayor and Members of the City Council
FROM: Cassandra Ogden - Chief Financial Officer
SUBJECT: City Council Budget Workshop Questions and Responses

A budget workshop with City Council occurred on August 6, 2022. Below is a summary of questions and requests from the City Council as I understand them.

1. **Highlight supplementals that are for growth, new requests and/or to restore pre-pandemic service levels.**

Tier	Department	Program Title	FTEs	Anticipated Growth/Service Enhancements	Existing Demands
1	Council Initiative	Paid Parental Leave	-		✓
1	Community Services	Community Development Manager	1	Transition from grant funded to General Fund due to grant caps.	
1	Police	Police Officers	5		✓
1	Police	Jailers (Civilian)	2		✓
1	Human Resources	Business Partner	1		✓
2	Human Resources	HR Generalist	1		✓
2	Fire	Fire Fighters (Drivers)	2		✓
2	Fire	Fire Inspector	1		✓
2	Police	Digital Forensic Investigator	1		✓
2	Legal	Intern	0.13		✓
2	Community Services	Landlord Rental Maintenance Grant	-	✓	
2	Community Services	Affordable Housing Incentive Package	-	✓	
2	Libraries	Librarian	1		✓
2	Libraries	Adult Services Librarian	1		✓

OUR CORE VALUES

Integrity • Fiscal Responsibility • Inclusion • Transparency • Outstanding Customer Service

3	Planning	Planning Technician	1		✓
3	Planning	Principal Planner	1		✓
3	Planning	Administrative Assistant	1		✓
3	Building Inspections	Building Inspectors	2		✓
3	Building Inspections	Permit Technician Position	1		✓
3	Police	Public Safety Dispatch	2		✓
3	Parks	Tennis Positions (expanded hours)	-		✓
3	Parks	Aquatics Technician*	1		✓
4	City Manager	Additional COLA Increase (1%)	-		✓
4	City Manager	Sponsorship (Cash)	-		✓
4	City Manager	Co-Sponsorship (In-Kind)	-		✓
5	Libraries	Part-Time Positions	1.5		✓
5	Police	Administrative Support Position	1		✓
5	Parks	Park Maintenance Position	1		✓
5	Parks	Parks Outdoor Supervisor	1		✓
5	Parks	GIS Analyst	1		✓
ISF	Procurement	Buyer Position	1		✓
ISF	Fleet	Fleet Technicians	3		✓
ISF	Technology Services	IT Program Manager	1		✓
ISF	Technology Services	GIS Architect	1		✓
ISF	Technology Services	Public Safety IT Supervisor	1		✓
ISF	Technology Services	IT Security Analyst	1		✓
ISF	Technology Services	Managed Security Service Provider	-		✓
ISF	Engineering	Project Manager	1		✓
ISF	Engineering	Public Works Inspector II	1		✓
ISF	Engineering	Public Works Inspector I	1		✓
ISF	Customer Service	Biller I & Biller II	2		✓
ISF	Customer Service	Key Account Specialist	1		✓
ISF	Streets	Field Service Supervisor	1		✓
ISF	Airport	Field Service Positions	1.5		✓

Staff Contact: Cassey Ogden, Finance

2. **Separate out frozen tax rates. What is the impact (10-year average) of what it would look like if the properties become taxable again?**

Fiscal year 2022-23 is the fifth year of the 65 and over tax freeze. The number of frozen properties has increased from 7,148 to 8,587, the frozen taxable value has increased from \$1,172,391,526 to \$1,725,536,710, and the tax revenue lost has increased from \$502,782 to \$2,146,951. Based on growth projections for the City of Denton, it is anticipated that the property count, frozen value, and revenue loss will continue to increase for the foreseeable future.

**CITY OF DENTON
FREEZE VALUE HISTORY
AUGUST 8th 2022**

FY	Assessed	Taxable	Freeze Taxable	Count	Tax Rate	Actual Tax	Tax Lost
2022-23	2,630,606,728	2,111,900,001	1,725,536,710	8,587	0.555682	11,735,448	2,146,951
2021-22	2,274,649,905	1,779,865,089	1,582,087,483	8,230	0.565823	10,070,886	1,119,071
2020-21	2,051,654,597	1,584,026,029	1,421,877,952	7,872	0.590450	9,352,882	957,403
2019-20	1,877,052,216	1,434,521,842	1,321,401,174	7,498	0.590450	8,470,134	667,921
2018-19	1,672,274,692	1,253,423,086	1,172,391,526	7,148	0.620477	7,777,202	502,782

Staff Contact: Cassey Ogden and Dan Galizia, Finance

3. **Can you follow up with training dollars in and out in terms of what that looks like as a spend for Police and Fire? What revenue is the City receiving from our training facilities?**

The FY 21-22 budget for Police training is \$139,915. As of July 22, 2022, the city has incurred \$169,445 in training expenses.

The FY 21-22 budget for Fire training is \$88,771. As of July 30, 2022, the city has incurred \$61,817 in training expenses.

The table below shows the revenue the City of Denton Police and Fire Departments have received since FY 2018. Police receives training revenue from outside entities that utilize the City of Denton facilities, such as training center fees, instructor fees, the use of the outdoor firing range, and Basic Peace Officer Course. In addition, the Fire department receives revenue from the use of the fire tower.

Training Related Revenue	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022-YTD
Police Academy Revenue	\$ 53,134	\$ 60,058	\$ 33,175	\$ 21,462	\$ 22,142
Fire Training Facility Fees Revenue	\$ 5,000	\$ 23,400	\$ 29,050	\$ 45,900	\$ 55,700

Staff Contacts: Shanika Mayo, Police and Chief Hedges, Fire

4. Outside animals (outside city and county) coming in

The intake numbers below are the only data points that we have for animals outside the City. The current contract with the County is being reviewed to accommodate the total daily costs of any animal all the way through adoption. This will aid in recouping the cost of service. Additionally, discussions with the County on a more holistic solution for a potential County shelter are beginning with outside stakeholders, municipalities, and staff.

	<u>Cats</u>	<u>Dogs</u>	<u>Livestock</u>	<u>Other*</u>	<u>Total</u>
<u>2019</u>	235	482	0	1	718
<u>2020</u>	198	406	6	3	613
<u>2021</u>	307	536	3	3	849
<u>2022 (Jan - Aug)</u>	138	290	6	4	438

*Other includes rabbits, ferrets, hamsters, etc.

Staff Contact: Tiffany Thomson, Animal Services

5. Naming Rights for Parks (McKenna Park)

Naming rights for Parks are governed by Resolution 20-2001. The Parks and Recreation staff will be sharing the story via social media and Friday Report specifically related to the naming of McKenna Park.

Staff Contact: Gary Packan and Caroline Seward, Parks and Recreation

6. What are the intricacies of setting up warming and cooling stations?

Staff has a presentation that will be updated and shared through an ISR to discuss the intricacies of setting up and sustaining warming and cooling stations.

Staff Contact: Dani Shaw, Community Services

7. Have we resolved electronic documents process? Are we adding additional staff to perform manual tasks?

In July 2021, the Development Services Department moved to a single solution for permit and project application and document uploading. Prior to this change, applicants were required to work between multiple software systems to apply to the City of Denton. Additionally, we have moved more permits to online applications through the portal including Fire, Right-of-Way and Wireless permit applications, and now allow for online contractor registration. This has increased the ease of use for City of Denton customers. Staff continues to find ways and implement additional functionality to further increase the usability of the new software solution.

Staff Contact: Charlie Rosendahl, Development Services

8. What are our successes? What are we catching in advance of issues because of completing inspections?

Listed below are examples of projects issues that have been captured by Public Works Inspections (PWI) in the last six months. The PWI team inspects the jobs and pass feedback to the contractors for correction.

- **Denton Police Substation**

- The contractor work was causing damage to the curb on Bonnie Brae. PWI is requiring them to repair and/or replace the curb that was damaged.
- The contractor's personnel were parking on the new 10' sidewalk that was installed by the Vintage project. PWI made all personnel move and stay off the sidewalk.

- **Country Club Estates**

- The contractor tried to place concrete paving over lime treated subgrade that was not properly cured and maintained. The subgrade was reprocessed before paving could be placed.

- **Eagle Creek**

- The contractor tried to place storm sewer junction box top slabs without the proper rebar installed. Only half the steel was placed, and the forms were not within specification. PWI required the contractor to rework the rebar and forms to follow the City of Denton specifications.

- **Exeter Westpark**

- The contractor was trying to push for the installation of concrete paving that was less than our specified design for Western Blvd. PWI stood firm and required the full standard paving section that was required for this roadway as it is a heavy truck route that required the heavier design.

- **Grey Wolf Circle**

- The subgrade was not properly installed and we required that it be corrected.

- **HSW Westpark**

- The contractor was caught trying to install sewer service on a phase that had not been permitted yet. The plans were still in review. PWI worked with Building

Inspections and place a stop work order on this site to stop any unpermitted work from occurring.

- **Hunters Creek Rd**
 - The stripe was placed without inspection and did not meet City of Denton specifications. It ended up being removed twice due to the improper workmanship. The damage to the paving was required to be repaired and the City of Denton was provided an extended warranty period.
- **Mockingbird Multifamily**
 - The plans called for the removal of an existing fire hydrant. The removal would have caused the City of Denton to no longer be compliant with TCEQ requirements for distance between fire hydrants. PWI worked with the contractor and the engineer of record on a relocation plan for this fire hydrant to keep us compliant.
- **Northgate**
 - The contractor installed electrical conduit 6 inches above the new water main. PWI made the contractor relocate the electrical conduit to be in accordance with City of Denton specifications.
- **Park 7**
 - The contractor installed curb and gutter incorrectly and it was above the existing paving causing ADA issues. PWI worked with the contractor to make the correction, including a mill and inlay of the asphalt paving.
- **Prose Prominence**
 - The inspector discovered a bridge class culver that was being constructed without inspection or oversight. PWI stepped in and started inspecting this structure to ensure that it was constructed per plans and was a safe drivable structure.
- **Rayzor Ranch Cottages**
 - The contractor poured all the inlet tops without any lab tests or an approved concrete mix design. PWI made sure these were all replaced and tested to insure they met City of Denton specifications.
- **Cambridge Brook Ph. 1&2**
 - The site was mostly limestone rock and shale. This was unsuitable backfill for the water and sanitary sewer mains being installed. It did not meet specifications and could have damaged the new PVC pipe. The Backfill was rejected. The developer and contractor had to find suitable backfill. The occurred and the mains were backfilled properly.
- **Elan Denton**
 - During construction of the offsite sewer the contractor cut out the straps for the MSE retaining wall. These straps hold up the wall panels. PWI made sure that these were replaced in accordance with the original plan and specification.

Additionally, here are some of the items PWI generally checks for when a site is inspected.

- Material meet specification.
- Sidewalks and ramps meet specifications.
- Forms and rebar.
- Dowel bar placement

- Concrete delivered and placed within specification.
- Testing is performed within specification.
- Concrete is cured within specification.
- Insure testing passes.
- Asphalt tack coats are placed.
- Subgrade meets specifications before paving commences.
- Asphalt paving has been placed within specification.
- Asphalt is properly rolled, and specified density is achieved.
- Bridge drilled shafts placed properly and to proper depth.
- Rebar place according to plans and specifications.
- Beams place and braced properly.
- Bridge deck place according to specification.
- Ensure water, sewer and drainage pipe are place within specification.
- Ensure pipe fitting are installed correctly.
- Monitor density testing on all soil compaction.
- Ensure that earthen fills are placed correctly.
- Ensure that stabilization is mixed properly.
- Coordinate between entities to resolve conflicts before the cause issue, delays, or claims.
- Site safety.

The Public Works Inspections department monitors projects during the warranty period for any defects or issues with workmanship or materials that need to be corrected.

Staff Contact: Charlie Rosendahl, Development Services and Wesley McBride, Public Works

9. Additional information on Landlord Rental Maintenance Grant – how do we determine who receives funding?

The details of the Landlord Rental Maintenance Grant program are in progress. The Community Services team will bring this item to City Council once the program details are complete.

Staff Contact: Dani Shaw, Community Services

10. Outside attorney fees YoY for past four years

Expense	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Grand Total
Addendum #3 - Legal Services	\$ 67,991.62				\$ 67,991.62
Addendum #3 - Legal Services		31,356.69			31,356.69
ANNEXATION LEGAL ISSUES		6,500.00			6,500.00
ATTNY FEES-LITIGATION EXP	981.00				981.00
ATTNY FEES-LITIGATION EXP		4,078.00	384.00		4,462.00
Bojorquez Law Firm			2,468.25		2,468.25
File Legal Document				254.75	254.75
HERRERA LAW & ASSOCIATES			10,425.80		10,425.80
HERRERA LAW & ASSOCIATES PLLC				(10,425.80)	(10,425.80)
Legal counsel-Countryview		20,000.00			20,000.00
LEGAL SVCS-MASTER ORDINANCE		35,000.00	-		35,000.00
Outside Council				1,774.50	1,774.50
Outside Counsel - Litigation			3,600.00		3,600.00
Outside counsel- Mask orders				15,000.00	15,000.00
Outside Counsel - MUD			26,661.00	616.00	27,277.00
Outside Counsel - Planning			18,589.50		18,589.50
Outside Counsel - ROW			-	13,578.30	13,578.30
Outside Counsel Discrimination			39,382.60		39,382.60
Outside Counsel General			-		-
Outside Counsel -General Labor				100.00	100.00
Outside Counsel IRS Tax Issues			2,880.00		2,880.00
Outside Counsel Lit Matter			35,999.66		35,999.66
Outside Counsel PUCT				7,894.00	7,894.00
Outside Counsel TCOS				130,236.37	130,236.37
Outside Counsel-Employment Law		29,333.63	94.00		29,427.63
Outside Counsel-Enterprise			5,670.00		5,670.00
Outside Counsel-Litigation		9,660.00	10,990.00	7,910.00	28,560.00
Outside Counsel-Procurement		14,852.00			14,852.00
Outside Counsel-Redistricting				14,780.60	14,780.60
Outside Counsel-Tenaska			86,506.65	0.00	86,506.65
Prof Legal Services	29,882.39				29,882.39
Prof Legal Services	925.50	19,457.11			20,382.61
Prof. Legal Serv.	1,145.00				1,145.00
Prof. Legal Services	39,444.05				39,444.05
Prof. Legal Services		-	2,438.00	42.00	2,480.00
PW Construction Counsel			24,012.50		24,012.50
Special Counsel - Ethics		-	-		-
Winter Storm Outside Counsel			2,733.00	2,043.00	4,776.00
Grand Total	\$ 140,369.56	\$ 170,237.43	\$ 272,834.96	\$ 183,803.72	\$ 767,245.67

Staff Contact: Cassey Ogden, Finance

11. Follow up of expenses for Risk Management

The following table provides a list of expenditures for Risk Management. Insurance related expenses include a 20% inflation factor.

Risk Expenditures	Estimates for 22-23
OUTSIDE CONTRACTED SERVICES	\$ 175,000
DAMAGE TO MISC CITY PROPERTY	\$ 75,000
DAMAGE TO CITY VEHICLES	\$ 175,000
PROPERTY INSURANCE	\$ 673,721
COMMERCIAL INSURANCE PREM	\$ 484,685
AIRPORT LIABILITY INSURANCE	\$ 18,407
EMS PROFESSIONAL LIABILITY INS	\$ 28,957
EXCESS W/C INSURANCE	\$ 534,762
WORKERS COMPENSATION CLAIMS	\$ 1,438,085
LIABILITY CLAIMS - CITY	\$ 450,000
TOTAL	\$ 4,053,616

Staff Contact: Crystal Babcock, Human Resources

12. Water resources for the future

The Water Utilities team will be returning to City Council with a presentation on status of water in this area. More specifically, Water is working on a Water Master Plan, a comprehensive plan with regards to a water supply plan, an updated water master plan, and looking at a reclaimed water master plan.

Staff Contact: Stephen Gay, Water Utilities

A budget work session will be held on August 16th and September 13th (if needed) to receive City Council feedback regarding the tax rate and supplemental options before budget adoption on September 27, 2022.