

CITY OF DENTON CITY COUNCIL MINUTES

March 28, 2017

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, March 28, 2017 at 2:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Mayor Pro Tem Roden, Council Member Wazny, Council Member Briggs, Council Member Hawkins, Council Member Gregory, and Mayor Watts.

ABSENT: Council Member Bagheri.

1. Work Session Reports

- A. ID 17-316 Receive a report, hold a discussion, and give staff direction regarding a Fourth Amendment to an Economic Development Program Grant Agreement with Allegiance Hillview, L.P. for the Rayzor Ranch development.

Caroline Booth, Director of Economic Development, presented the request from RED Development for an extension of their Economic Development Program Agreement for six months in order to meet the commercial and retail space in Rayzor Ranch needed to initiate its incentive. She reviewed the details of the current occupancy of the development along with the specifics of the requested amendment. The amendment would also memorialize the assignment of the Rayzor Ranch Marketplace. The Economic Development Partnership Board recommended approval. Staff recommended approval with the stipulation that no further amendment requests related to deadline or threshold changes be considered by the City.

Council discussed the impact if the amendment was not approved and RED did not reach their designated COs as required; whether city processes were delaying the development; and that it was not wise for the City to not support the project with so much already invested in it.

Scott Waggoner, RED Development, presented a brief update on the progress of the development. He would return at a later date with a more comprehensive report.

Consensus of the Council was to proceed with the amendment.

- B. ID 17-387 Receive a report, hold a discussion, and give staff direction regarding proposals received for City of Denton Employee Health Clinic and Operation Management Services.

Scott Payne, Risk Manager, presented a recap of the City's self-funded health plan and the Employee Health Center (Clinic). A review of the Clinic providers was shown. Clinic utilization was presented along with cost per visit versus cost per the health plan.

Council discussed the cost per visit versus cost of the health plan; clinic-care diversion savings; and why not all employees were using the Clinic.

Payne continued with the estimated clinic savings that included care diversion savings, lab savings, productivity savings, and patient out-of-pocket savings. Patient satisfaction survey results were reviewed. He presented information on the Request for Proposal which was to seek a qualified vendor to provide clinic operation and management services at the existing Clinic. It was never the intent to replace the City's clinic with another clinic or to intermingle patient bases. The areas involved in the evaluation of the proposals for the Request for Proposal were presented along with

compliance with specifications, quality, reliability, and characteristics to meet stated or implied needs.

Council discussed the steps involved in the Request for Proposal process including time schedule and persons to contact.

Payne noted that the staff recommendation was that the contract be awarded to CareHere.

Council discussed the comparison of the scoring among the different requests and whether local preference was considered in the criteria.

- C. ID 17-393 Review, discuss, and provide direction regarding the duties and plans of the City Auditor.

Craig Hametner, Internal Auditor, reviewed the duties and plans of the City Auditor per the Charter and enabling ordinance. He felt that there should be items added to the duties such as independence, general duties and responsibilities and standards.

Council discussed the definition of independence and where that independence rested either with management or Council.

Hametner continued with duties and plans of the City Auditor to include anonymous reporting mechanisms to report fraud, waste and abuse. This would be an anti-Fraud Program to include tips to catch fraud, waste and abuse using different modes of communication. He reviewed the different types of reports that could be issued by the Internal Audit Department. The FY 2017 six month Audit Plan was presented.

Council discussed not allowing individual council members to request separate audits rather have the Council as a whole provide direction; the various components of the plan were reviewed; and consider a collaborative approach to include the other Council appointees into the mix.

Interim City Manager Leal suggested memorializing the plan in an ordinance.

Consensus of the Council was to proceed with the six month plan and draft an ordinance associated with the plan.

The Council convened in a Closed Meeting at 4:21 p.m. to discuss the proposals received for City of Denton Employee Health Clinic and Operation Management Services under Texas Government Code Section 551.071 – Consultation with Attorneys.

Council returned to the Open Meeting at 4:27 p.m. and continued with the Special Called Meeting.

1. ITEMS FOR INDIVIDUAL CONSIDERATION

Ordinance No. 2017-106

- A. ID 17-196 Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the City of Denton Employee Health Clinic and Operation Management Services; and providing an effective date (RFP 6198-awarded to CareHere, LLC in the amount of \$20.00 per employee per month (PEPM) for an estimated annual cost of \$386,325 for management costs and \$566,000 for salaries and supplies with a five (5) year total not-to-exceed \$5,010,300).

Speaker Cards were submitted by:

Chloe Wenzsel - spoke in opposition

Filippo Masciarelli - spoke in opposition

Alice Masciarelli - spoke in opposition

Council discussed the total cost of the clinic; the amount of the contract and the amount of savings as an inclusive amount of all costs.

Council Member Gregory motioned, Council Member Hawkins seconded to adopt the ordinance. On roll call vote, Mayor Pro Tem Roden "aye", Council Member Wazny "aye", Council Member Briggs "nay", Council Member Hawkins "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion carried with a 5-1 vote.

Ordinance No. 2017-106

- B. ID 17-347 Consider adoption of an ordinance approving amendments to the term of the agreement, adding baseline metrics, adding a general termination clause, and adding an appropriations clause to the Management Agreement between the City of Denton and the Dallas Entrepreneur Center.

Council Member Gregory left the meeting with a conflict of interest.

Caroline Booth, Director of Economic Development, reviewed the recommendations for the amendment of the agreement.

Council discussed the evaluation criteria staff would be using to further evaluate the value of Stoke Denton.

The following Speaker Cards were submitted:

Terry Thomas - spoke in favor of Stoke

Kevin Tydlacka - spoke in favor of Stoke

Kyle Taylor - spoke in favor of Stoke

Council Member Hawkins motioned, Mayor Pro Tem Roden seconded to adopt the ordinance. On roll call vote, Mayor Pro Tem Roden "aye", Council Member Wazny "nay", Council Member Briggs "aye", Council Member Hawkins "aye", and Mayor Watts "aye". Motion carried with a 4-1 vote.

Council Member Gregory returned to the meeting.

Ordinance No. 2017-108

- C. ID 17-367 Consider adoption of an ordinance approving a City sponsorship in an amount not to exceed \$154,000 of in-kind services and resources for the Denton Arts and Jazz Festival to be held in Quakertown Park on Friday through Sunday, April 28-30, 2017; and providing an effective date.

Emerson Vorel, Director of Parks and Recreation, stated that the agreement was being changed to add liability for damages to the park during an event. Council had requested that this provision be added which would be added to every contract for use of the parks.

Council Member Gregory asked how much the repairs cost from the rain event two years ago.

Vorel replied approximately \$50-60,000.

Council Member Gregory questioned if the Festival Foundation knew of that cost. Vorel replied that they did.

Council Member Gregory questioned if the Festival Foundation had the cash reserves for such an expense. Vorel replied yes that the Foundation had enough cash reserves as noted in their financial report provided to the City.

Mayor Pro Tem Roden questioned if Arts and Jazz had agreed to the terms.

Vorel stated that they had been made aware of the provision.

Mayor Pro Tem Roden asked what controls were in place to help prevent this type of damage in the future.

Vorel stated that staff had limited where traffic would flow as vendors set up and took down their stands.

Council Member Wazny motioned, Mayor Pro Tem Roden seconded to adopt the ordinance. On roll call vote, Mayor Pro Tem Roden "aye", Council Member Wazny "aye", Council Member Briggs "aye", Council Member Hawkins "aye", Council Member Gregory "aye", and Mayor Watts "aye". Motion passed 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 Wazny requested a resolution that would allow the Council Employee Leave Committee to continue their deliberations.

Council Member Briggs requested a staff report or a Work Session on minimum square footage for homes in terms of tiny houses.

With no further business, the meeting was adjourned at 5:25 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS