

CITY OF DENTON CITY COUNCIL MINUTES

October 24, 2017

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, October 24, 2017 at 1:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Hudspeth, Council Member Briggs, Council Member Duff, Council Member Ryan, Council Member Gregory, Mayor Pro Tem Bagheri, and Mayor Watts.

ABSENT: None.

1. Citizen Comments on Consent Agenda Items

Margarete Neale requested the Council postpone action on the gas inspection services and look at other options and other bids.

2. Requests for clarification of agenda items listed on the agenda for October 24, 2017.

Staff responded to Council's requests for clarification the following items:

Council Member Briggs requested that Consent Agenda Item B be pulled for separate consideration.

Mayor Watts requested to pull Consent Agenda Item A for separate consideration.

3. Work Session Reports

A. ID 17-860 Receive a report, hold a discussion, and give staff direction regarding Tax Increment Reinvestment Zone Number One (Downtown TIF), City of Denton, Texas.

Caroline Booth, Director of Economic Development, presented the update on the Downtown TIF. Staff would be requesting direction on options regarding the Downtown TIF. She reviewed the background information on the capital improvement projects within the Downtown TIF Zone. The fiscal information for the fund was presented along with forecast scenarios for the Downtown TIF Fund.

Council discussed the CIP program; the forecast scenarios; and the contribution rates.

Booth continued with key points and options.

Council discussed considering sidewalk options first; consider smaller projects first that would make an impact on the area; residential requirements in the Downtown TIF; the impact of NCTC proposed parking garage in the area; park dedication funds available for Industrial Street parking; and that the original plan for the fund was for catalyst projects.

Council Members Briggs, Ryan and Gregory were in favor of funding the reinvestment through the TIF.

Mayor Watts stated that he would prefer cash funding as opposed to debt funding and other projects available on perimeter streets and not just on the Square itself.

Consensus of the Council was to continue with the fund and return after meeting with the TIF Board with options for consideration.

- B. ID 17-1278 Receive a report, hold a discussion, and give staff direction regarding the initial report from Enterprise Risk Consulting regarding the Resource Planning and Power Supply Strategy for Denton Municipal Electric.

Larry Lawrence and Neil McAndrews, Enterprise Risk Consulting, provided Council a presentation for the Denton Renewable Resource Plan. The presentation included planning goals, data and data source, evaluation factors, portfolio modeling, summary analysis and recommendations. The five planning objectives were reviewed along with data sources and inputs. He reviewed the ERCOT Resource Price Stack, ERCOT data assumptions, market data, natural gas price projections, and evaluation factors. He continued with supply gas analysis, renewable supply alternatives - RFP results; and a least cost comparison. Daily production vs. load profiles, summer seasonal production vs. load profiles, wind location, and other location considerations were noted.

Lawrence presented information on supply portfolio modeling and analysis summary in terms of ERCOT and the role of "firming". The DEC advantages and disadvantages, run-time estimation and getting additional value from the DEC were presented. Renewable resource selection considerations were discussed along with risk considerations. Information on overshooting the targets, gradual adoption path, and early adoption counting Whitetail was indicated. Recommendations were reviewed and the decisions needed to be made were presented.

Council discussed and asked questions relative to the information provided by the consultants.

Consensus of the Council was to not count Whitetail as a renewable resource; delay solar purchases because of a potential federal solar tariff; accelerate renewable purchases, especially of wind resources; move forward the date of the 100% renewable goal; move forward with the date of 100% renewable; 70% by 2019; 100% by 2020 contingent on results of solar tariff.

- C. ID 17-1407 Receive a report, hold a discussion, and give staff direction regarding an overview and options for gas well inspections performed under the City's regulatory authority.

Sarah Kuechler, Assistant to the City Manager, presented the objectives of the discussion. She presented the regulatory matrix that displayed the regulatory bodies that influence gas well drilling and production activities. A breakdown of the regulatory authority under HB 40 in terms of State and local authority was displayed. She displayed gas well information that was included on the city's website.

Kenny Banks, General Manager of Utilities, presented recommended service provision options.

Council discussed the provisions of the proposed contract, training for operators, and equipment that would be used with the contract.

Banks continued with an inspection activities comparison between current inspection activities and service enhancement activities. Budget considerations were noted. Staff was requesting direction on the proposed contract with Modern Geosciences. There was an associated item on the action portion of the meeting.

- D. ID 17-1430 Receive a report, hold a discussion, and give staff direction regarding the City's membership in coalitions related to Atmos Energy and Oncor Electric Delivery.

Mario Canizares, Assistant City Manager, presented the overview of the Atmos and Oncor Coalitions. That overview included information regarding the cities that had opted to join a coalition of cities to address rate filings by Atmos and Oncor. He noted the Atmos coalitions and Oncor coalitions in terms of membership, membership fees, and legal representation. The staff recommendation was to join the Atmos Cities Steering Committee and remain in the Alliance of Oncor cities coalition.

Consensus of the Council was to proceed with the staff recommendation.

- E. ID 17-1454 Receive a report, hold a discussion, and give staff direction regarding options for management of the Stoke Denton Entrepreneur Center.

Council Member Gregory recused himself from deliberation on this item.

Caroline Booth, Director of Economic Development, presented management options for the Stoke Denton Entrepreneur Center. She reviewed the background information that brought the issue to this meeting. The one proposal was received from Hickory & Rail Ventures and she noted the details concerning that company. Performance measures were noted that were included in the contract as well as fiscal information.

Council discussed the differences between the prior DEC contract, current expenses and expenses with the proposed contract.

Booth continued with options for Council consideration which included continuing with City management of Stoke and adding an FTE to handle operations or award a management contract to Hickory & Rail Ventures. Staff's recommendation was to award the management contract to Hickory & Rail Ventures.

Council Member Briggs stated that she was in favor of the contract which would be considered later in the meeting.

Mayor Pro Tem stated that she was in favor but the contract was too vague.

Mayor Watts suggested revising the contract for consideration and bring it back at a future meeting.

Council Member Hudspeth noted that he was in favor but need clarification on the director's role.

Marshall Culpepper stated that the proposed director was the reason for the success of the program.

Mayor Watts noted that there seemed to be a change in direction regarding membership selection and the original vision of the program.

Consensus of the Council was to rework the contract and return at a future meeting for consideration.

Council Member Gregory returned to the meeting.

- F. ID 17-1471 Receive a report, hold a discussion, and give staff direction on the City Auditor recruitment process.

Carla Romine, Director of Human Services, stated that staff needed direction on how Council wanted to proceed with the selection of a new auditor. The prior Waters contract could be used as there was a two year guarantee with the selection of a candidate.

Consensus of the Council was to continue with the Waters contract with the same process as before.

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 17-1469 Deliberations regarding a Personnel Matter - Under Government Code, Section 551.074; and Consultation with Attorneys - Under Texas Government Code, Section 551.071.

Deliberate and discuss the appointment, employment, duties, resignation and contract of the City Auditor, including the appointment of an interim Internal Auditor; consultation with the City's attorneys regarding associated legal issues where a public discussion associated with these legal matters would 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.

- B. ID 17-1466 Deliberations regarding a Personnel Matter - Under Texas Government Code, Section 551.074.

Deliberate and discuss the evaluation, duties, discipline, procedures, and contracts of the City Manager and Municipal Judge.

- C. ID 17-1477 Consultation with Attorneys - Under Texas Government Code, Section 551.071.

Receive a report, consult, discuss and deliberate with the City's attorneys regarding legal issues associated with an investigation as to the internal operations of the City of Denton Parks and Recreation Department and as to the business relationship between the City of

Denton and the Denton Parks Foundation, where a public discussion associated with 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, the City Council convened in a Special Called Meeting.

1. CONSENT AGENDA

- A. ID 17-1472 Consider adoption of an ordinance accepting a competitive proposal and awarding a contract for the management of the City's Stoke Denton Entrepreneur Center (RFP 6571); authorizing the City Manager or designee to execute the form of contract; and providing for an effective date.

This item was not considered.

Ordinance No. 2017-328

- B. ID 17-1473 Consider adoption of an ordinance authorizing the City Manager to execute a professional services agreement for the inspection of oil and gas facilities within the City of Denton with the inspection to include signage, equipment maintenance, fire department access, landscaping, and safety requirements; providing for the expenditure of funds therefor; and providing an effective date (File 6615-awarded to Modern Geosciences in an amount not-to-exceed \$250,000).

Kenny Banks, General Manager of Utilities, presented the details regarding the gas well inspections contract in terms of inspection frequency comparison, inspection types, and the provisions of the professional services agreement.

Council discussed other companies doing this same type of work and whether there was a guarantee of results of inspections.

Banks continued with the business model for the company, the professional service agreement considerations, budget considerations, and cost comparison in-house versus proposed contract.

Council discussed the various aspects of the proposal and staffing requirements.

Ed Soph submitted a Speaker Card suggesting a tiered approach to building department and not an open ended contract.

Council Member Gregory motioned, Council Member Ryan seconded to adopt the ordinance.

Council Member Briggs suggested all wells near schools be moved up to first or second priority list. Staff should be equipped to do follow-up inspections.

On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "nay", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "nay", and Mayor Watts "aye". Motion carried with a 5-2 vote.

2. PUBLIC HEARINGS

- A. A17-0005b Hold the second of two public hearings for a voluntary annexation of approximately 73.47 acres of land generally located north of Long Road and west of FM 428 by the City of Denton, Texas.

Cindy Jackson, Senior Planner, stated that this was the second public hearing on the annexation. She presented the location of the property, background information, and the annexation schedule.

The Mayor opened the public hearing.

No one spoke during the public hearing.

The Mayor closed the public hearing.

No action was needed on this item at this item.

Ordinance No. 2017-329

- B. ID 17-1435 Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding amending the City's Transportation Design Criteria Manual by adding new subsection 1.3 ("Guidelines for Perimeter Street Improvements"); providing a severability clause and an effective date.

The Mayor opened the public hearing.

John Davis, Engineering Services Division Manager, presented the details of the amendment to the Transportation Design Criteria manual. The amendment would include a perimeter street paving subsection. He reviewed the fee schedule, requirements of the Development Code for perimeter street paving, and proposed perimeter street guidelines.

No one spoke during the public hearing.

The Mayor closed the public hearing.

Mayor Pro Tem Bagheri motioned, Council Member Ryan seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2017-330

- C. ID 17-1436 Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding amending the City's Water and Wastewater Design Criteria Manual to update it; providing a severability clause and an effective date.

John Davis, Engineering Services Division Manager, presented background on the current design criteria manual and noted the process for proposed amendments.

The Mayor opened the public hearing.

No one spoke during the public hearing.

The Mayor closed the public hearing.

Mayor Pro Tem Bagheri motioned, Council Member Briggs seconded to adopt the ordinance. On roll call vote, Council Member Hudspeth "aye", Council Member Briggs "aye", Council Member Duff "aye", Council Member Ryan "aye", Council Member Gregory "aye", Mayor Pro Tem Bagheri "aye", and Mayor Watts "aye". Motion carried unanimously.

3. 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 a map of city parks with 1/2 mile buffer on streets network.

Council Member Briggs requested information on partnering with DCTA for discounted bus passes.

Council Member Briggs requested an impact study of the DEC.

Council Member Briggs requested an update on the Downtown flood plain.

Mayor Pro Tem Bagheri requested an Informal Staff Report on a city composting program.

- B. Possible Continuation of Closed Meeting topics, above posted.

There was no continuation of the Closed Meeting.

With no further business, the meeting was adjourned at 8:30 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS