

**CARROLLTON CITY COUNCIL  
REGULAR MEETING and WORKSESSION MINUTES**

**MARCH 20, 2007**

The City Council of the City of Carrollton, Texas convened in a Regular Meeting and Worksession on Tuesday, March 20, 2007, at 5:45 p.m. with the following members present: Mayor Becky Miller, Mayor Pro Tem Larry Williams, Deputy Mayor Pro Tem John Mahalik, Councilmembers Pat Malone, Matthew Marchant, Terry Simons and Herb Weidinger. Councilmember Tim Hayden was absent. Also present were City Manager Leonard Martin, Assistant City Managers Beth Bormann, Marc Guy, Bob Scott, Director of Managed Competition Tom Guilfooy, Assistant to the City Manager Erin Kasal, City Attorney Clayton Hutchins and City Secretary Ashley Mitchell.

**\*\*\*\* WORKSESSION \*\*\*\***

**5. Discuss Carrollton's Satellite Tennis Courts.**

Scott Whitaker, Director of Parks and Recreation stated that The Parks & Recreation Department has seventeen satellite tennis courts in eight locations throughout the city as well as twelve courts at Oak Creek Tennis Center. Some of the courts are used for league play, some for open play, and a few are not being used due to playing conditions.

Tennis staff did an audit of all satellite courts last year to determine the type of repairs or maintenance needed at each location. Five of the eight satellite locations get noticeable league and open play. A resurfacing project was initiated in 2006 to keep them available for league and open play. To date, four courts at Woodlake were resurfaced in 2006, two courts at Croft and the single court at Mill Valley have been resurfaced in 2007 and three courts at Thomas and two courts at Branch Hollow are scheduled for 2008. None of our locations meet current lighting guidelines therefore we are gathering information on options and costs to bring them up to the accepted standard. Three of the sites are unplayable and/or being used for other types of recreation. They are Rhoton Park, Francis Perry Park, and Martha Pointer Park. Rather than repairing these existing courts that are in the most need of upgrading, staff would like to gain feedback from the community who uses them to determine the best leisure amenity for each site.

We propose a process that will gain input from the community and the Parks and Recreation Advisory Board. It includes four public meetings, one with Carrollton Tennis Association (CTA) and one each for Rhoton, Francis Perry, and Martha Pointer. We have invited Justin Hampton from Community Development to attend each meeting to share information about the "People Helping People" program. Bill Kirkland, Parks & Recreation Advisory Board chairperson has agreed to attend as well.

Staff presented pictures of amenities such as a tennis court, a court with a metal net, a multipurpose court which could include a basketball goal, and in-line hockey or soccer goals, and showed some available options, and asked for feedback from the community based on a budget for each location.

An important step in this process will be to notify citizens when and where these meetings will take place and what their purpose is. We are working with the Marketing Department to prepare a postcard for neighbors who live within one thousand feet of each park. We will contact existing Home Owner's Associations (HOA) in the proposed

neighborhoods and will notify the media. Information will be prepared in English and Spanish and a Spanish-speaking city bilingual ambassador will attend each meeting.

The meeting dates and times are:

Group	Date	Time	Location
CTA	TBA	TBA	TBA
Rhoton Park	April 10	6:30 p.m.	Crosby Recreation Center, East Annex
Francis Perry Park	April 14	2:00 p.m.	Crosby Recreation Center, East Annex
Martha Pointer Park	TBA	TBA	TBA

Our goal is to gain input and feedback from these public meetings to determine the best and most sustainable amenity for each of the three neighborhood parks.

Funds are appropriated for ongoing repair/maintenance of the facilities as part of the operating budget, i.e. electricity, net replacements, windscreens. Depending on the priorities for each park some costs to reference are; complete overlay costs approximately \$40,000/\$50,000 per court, a resurface is approximately \$5,000/\$6,000 per court. Capital funds are available to complete the repairs or replace with other amenities with a proposed total budget of \$150,000 for all three parks.

The impact on community sustainability for this project is broad and touches the lives of many of our citizens. Improving the quality, vitality and attractiveness of neighborhoods is a key council sustainability objective. Residents have already expressed an interest in the tennis courts and neighborhood leisure facilities. Determining the best use of these facilities and targeting the expenditure of capital funds toward those projects will create the best sustainability for our community.

Council directed staff to move forward with holding these public meetings. Feedback from the public meetings, costs of amenity options and timelines will be shared initially with the Parks and Recreation Advisory Board at their April 23 meeting. They will forward their recommendation to City Council for a May meeting.

**6. Discuss Proposed Legislation Prohibiting Implementation of New Accounting Standard on Retiree Health Costs.**

Bob Scott, Chief Financial Officer and Assistant City Manager stated that during the July 18, 2006 City Council Worksession, I presented an agenda item entitled “The Budget Implications of An Aging Workforce”. Included in this briefing was discussion on a new accounting requirement by the Governmental Accounting Standards Board entitled GASB 45 “Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions”. This standard requires that the cost of providing retiree health benefits be recorded when the employee earns the benefit during their working career rather than when those benefits are paid after an employee retires. It was staff’s recommendation at the time that the City implement the standard and also begin setting aside funds for this obligation. Council approved this recommendation and an appropriation of \$530,000 was established in the FY 2007 budget for this purpose. This amount was a rough estimate by staff and an actuarial valuation is currently under way to more accurately determine the amount.

Since that time legislation has been introduced in both the Texas House and Senate that would effectively ban all Texas governments from implementing GASB 45. This bill has many far reaching implications for Texas governments and as written could effectively preclude governments from setting aside funds each year towards this growing liability even if they wanted to. The attached fiscal impact note was sent to the Legislative Budget Board at their request.

An actuarial review of the city's retiree health liability is under way and upon completion the city will evaluate the various options available to it to meet its retiree health obligations. Passage of this bill would limit the city's options to pay as you go only.

As someone who has spoken numerous times on the subject of Governmental Accounting Standards in general and GASB 45 in particular it is likely that I may be asked to testify on this topic. While I would be speaking as an individual, it would be difficult to expect others to not associate my testimony with Carrollton. My testimony would reiterate the points made in the fiscal impact note and would include:

- Generally Accepted Accounting Principles (GAAP) is an important concept that provides comparability and transparency among governments throughout the nation.
- Retiree health care is an important topic and a growing expenditure in many governments that should be managed and planned for. Governments should not base their retiree health care decisions simply on their current pay as you go amount as that number will likely grow quickly in future years. Not planning for this increase could endanger the government's ability to maintain their retiree health program in the future.
- If the legislature determines that it is not in the best interest of all Texas governments to mandate implementation of GASB 45, they should not automatically assume that it is therefore in the best interest of all Texas governments to prohibit its implementation. Many Texas governments would prefer to follow GAAP in its entirety and to address their retiree health issues via GASB 45. Therefore, at a minimum, the bill should be worded to permit a government to follow GAAP if they so choose.
- The legislature should recognize that if they grant a single exception to GAAP for this particular situation that it is likely that they will be asked in future legislatures to grant additional exceptions from either current or future standards.

Council provided feedback stating that they support this position.

7. Discuss **Multi-Year Budget and Financial Forecast.**

Bob Scott, Chief Financial Officer and Assistant City Manager stated that each spring staff presents multi-year forecasts to the City Council, which include emerging budget issues, in order to receive preliminary guidance regarding the preparation of the annual budget. The formal budget process will begin in July with the presentation of the preliminary budget culminating in mid-September with the adoption of the operating and capital budgets.

Over the coming months, staff will be preparing the Fiscal Year (FY) 2008 annual operating and capital budget to be presented to City Council on or before July 31, 2007. The attached Multi-year Budget and Financial Forecast was prepared using certain assumptions as to revenue and expenditure growth including the projected effects of planned additions of programs and facilities. Included are the General Fund and Utility Operating Fund. Staff is seeking City Council direction regarding the assumptions used

and other items to consider in preparation of the upcoming FY 2008 annual operating and capital budget.

### **Multi-year Budget and Financial Forecast Key Findings:**

#### ***General Assumptions***

- Uncertainties related to proposed or enacted legislation could negatively impact the City's financial forecasts.
- New programs representing recurring operating impacts should be added only after careful prioritization given the operating impacts already programmed.
- An employee compensation increase pool of 3% has been included for FY 2008. This pool has been projected into future years at the same rate of 3%.
- Health Insurance rates are projected to increase at a rate of 4.25% annually.
- TMRS rates are expected to increase 7.23% in FY 2008 and each year thereafter. This increase takes into account the impact of the proposed 3% compensation pool.
- The Utility Fund Payment in Lieu of Taxes (PILOT) made to the General Fund is estimated to increase 1% annually.
- The baseline for Supplies, Services and Capital Outlays were increased at an estimated rate of 2% annually.
- Natural Gas and Electricity were estimated to increase at an annual rate of 3%.
- For FY 2008, Other Post Employment Benefits (OPEB) costs for the implementation of GASB 45 are estimated at \$427,222 for the General Fund and \$32,219 for the Utility Fund. The total estimated OPEB costs are \$530,000 for all city funds. It is projected this will hold steady each year thereafter.
- Fuel costs were estimated to increase at an annual rate of 5%.
- All overhead charges are projected to increase at an annual rate of 4%.

#### ***General Fund***

##### ***Revenues***

- Ad Valorem taxes are projected to increase by 2.5% in FY 2008 and 2% in FY 2009. Each year thereafter an annual increase of 1% is expected. Delinquent taxes are expected to increase 1.5% annually and Penalties and Interest are expected to hold firm at \$185,000.
- Franchise fees are anticipated to increase at a rate of 1.5% annually.
- A 3% annual increase in sales tax has been projected.
- Investment income has been projected to remain at \$2,300,000 in FY 2008 with no further growth expected thereafter.
- All other revenue types are estimated to have no growth.

##### ***Expenditures***

- Initial General Fund projections for FY 2008 estimate the need for \$317,733 in revenue increases or expenditure reductions. This represents less than 0.5% of revenues. City staff will continue to look for increased operational efficiencies in its existing operations through various initiatives.
- *Full year impact in FY 2008 of programs added in FY 2007:*

##### ***Public Safety Staffing:***

- Additional Police Officers & Sergeant (4 positions) - \$83,634
- Additional Dispatcher III's (3 positions) - \$45,605
- Emergency Management Specialist (1 position) - \$38,795
- Funding has been included in the Multi-Year Budget beginning FY 2008 for the Parks and Recreation Department. Projected additional staff, \$38,000, has been included for

practice field maintenance. An additional \$35,000 in recurring funds and \$75,000 in non-recurring funds have also been incorporated for McInnish Park, city-wide trails, pool operations and new neighborhood park operations.

- Fire will be replacing the following equipment:
- Mobile data computers and printers at a cost of \$186,500 in FY 2008.
- Rescue tools over a three year period at a total estimated cost of \$82,500, or \$27,500 annually, beginning in FY 2008.
- Thermal imaging cameras at a cost of \$70,000 in FY 2008 and FY 2010.
- Addition of workout facilities to Station #6 (FY 2009) and Station #5 (FY 2011) at a one-time cost of \$90,000 and \$145,000, respectively.
- On February 20, 2007, Council was briefed on Fire and EMS response and deployment, which called for future plans to add an additional medic unit and an additional fire station.

Funding has been included in the Multi-Year Budget for the addition of a fourth medic unit. It is projected to go into service during FY 2009 at a cost of \$606,162, of which \$416,063 will require recurring funding. Beginning in FY 2011, funding has been included for the addition of Fire Station #8 at an estimated cost of \$1,536,312, of which \$733,777 will require recurring funds. This is in addition to the construction costs to be included in a future bond issuance.

- In response to Council's desire to request approval to participate in heighten immigration violation enforcement, as established by Section 287 G of the Immigration and Nationality Act, funding for two full-time detention officers has been included in the multi-year budget beginning FY 2008 for a total of \$96,755.

### ***Utility Fund***

#### ***Revenues***

- Water and Sewer Revenues are anticipated to grow at a rate of 1% annually. City Council adopted a water conservation rate structure that will be effective May 1, 2007. This new rate is expected to increase revenues by \$150,000 starting in FY 2007.
- All other Utility Fund revenues have been examined and are held constant for FY 2008 and beyond.

#### ***Expenditures***

- Expenditures related to the contract with Dallas Water Utilities for the purchase of treated water is projected to increase 5% annually.
- The expenditures for the services of the Trinity River Authority (TRA) to treat Carrollton's sewer water is anticipated to change based on the projected rate changes of TRA, plus a factor of 1% for growth.
- Funding for conservation incentives have been included at \$150,000 annually. This is funded by projected revenue increases noted above from the May 1, 2007 implementation of the water conservation rate structure.
- Utility Fund projections for FY 2008 estimate the need for \$1,194,335, or 3.48%, in revenue increases or expenditure decreases in order to maintain the 90-day reserve balance.

Council received City Council policy direction on the following items related to the multi-year budget, operating budgets and strategic business planning:

- Appropriateness of expenditure assumptions, including the new programs scheduled for next year.
- The need for any additional briefings.
- Areas the City Council may want to consider reducing or increasing service levels.
- Other priorities or concerns of City Council not previously discussed.

Pat Malone stated that she would like to see ways to preserve Carrollton's history. She said that the value of Carrollton's history means a lot to the citizens. She doesn't want the council to be quick to sell Carrollton out when making decisions about some projects that could affect the history associated with Carrollton.

Councilmember Malone also asked if there was a total on the amount the city spends on consultants. She would like to see the figures on total spent last year. She also asked where does the money for those services come from in the budget.

Mr. Scott replied that depending on the project, the funds could come out of any numbers of budget lines and the cost would be budgeted as normal expenses.

Councilmember Malone stated that she believed that the city should have employees that are smart enough to do some of those jobs and the city shouldn't have to hire consultants all the time for these projects.

Councilmember Malone also talked about code enforcement issues. She stated that citizens call in most of the violations for the city right now. She stated that she believes that the citizens are doing the city's job. She would like to look and see if code enforcement could get a weekend person or Friday night person to drive around and check out issues in the neighborhoods.

Me. Scott stated that staff has some information that they could share regarding what the weekend and night programs consist of with the council.

Councilmember Marchant stated that he was also interested in the code enforcement issues. He would like to look at adding one to two more code enforcement officers to this next budget. He believes that this would be a much more proactive approach to the issues and would benefit the sustainability policy and keep the property values up.

Mr. Scott suggested that a worksession item be created to review the code enforcement issues and current practices.

Councilmember Simons stated that he agreed with Councilmember Malone on a portion of the consulting services issue. He stated that there are times where the consultants do a wonderful job and should be used. He used the Municipal Court system project as an example. He agrees that in certain aspects the council needs to look at using the consultants and some projects where the services may not be needed.

Councilmember Mahalik requested information on the vacancies in certain departments and if there were frozen positions in certain departments. He stated that he knew the city

has lost some employees to other cities and some to the private sector. He asked if there was anything that could be done to move filling those positions any quicker.

City Manager Leonard Martin stated that the positions in those departments have been posted as open for many months. The city is currently involved in a study to overhaul the pay plans in hopes to become more competitive with other cities and the private sector. The final report is set to be presented to council in June. He hopes that this new system will help attract and keep those employees that will help our city run smoothly. He also stated that there aren't any frozen positions in the city at this time. There has been some difficulty filling certain positions though.

Councilmember Malone asked if there was anything that could be done about the quality of the taping of council meeting that are broadcast on the television. She stated that she couldn't see or hear hardly anything. Staff informed her that the system has begun the upgrading process and the meetings will be taped and broadcasted digitally soon. She was pleased to hear that this was moving along.

There were no other comments regarding the budget preliminaries.

**INVOCATION** by Pastor Oscar Benavides from Prince of Peace Lutheran Church

#### **PLEDGE OF ALLEGIANCE**

#### **PRESENTATIONS**

8. Present a **Proclamation Recognizing the American Cancer Society's Relay For Life Event in Carrollton and Declaring The City of Carrollton As A Relay For Life Community.**

Mayor Miller presented a Proclamation Recognizing the American Cancer Society's Relay For Life Event in Carrollton and Declaring The City of Carrollton As A Relay For Life Community.

9. Present a **Proclamation Declaring April 21, 2007 as Great American Clean Up Day.**

Mayor Miller presented a Declaring April 21, 2007 as Great American Clean Up Day.

#### **PUBLIC FORUM**

10. **Hearing of any citizen/visitor on items not listed on the regular meeting agenda.**  
Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed a maximum of 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

There were none.

**CONSENT AGENDA** (\*All items marked with a single asterisk are part of a Consent Agenda and require no deliberation by the Council. Each Council member has the prerogative of removing an item from this agenda so that it may be considered separately. Contracts and agreements are available in the City Secretary's Office.)

**Councilmember Marchant moved approval of Consent Agenda Item No. 11 – 27. Second by Councilmember Malone. The vote was cast 6-0 in favor of the motion.**

### **MINUTES**

- \*11. Consider approval of the **February 6, February 20 and March 6, 2007 Minutes.**

### **BIDS AND PURCHASES**

- \*12. Consider approval of Bid # 07-018 for **Tree Trimming Services for City Parks, Facilities and Right-of-Ways from Golden Tree Maintenance** in an amount not to exceed \$40,000.00.
- \*13. Consider approval of Bid #07-016 for the purchase of **One Replacement Water Truck for the Parks Department from Prestige Ford** in an amount not to exceed \$59,643.00.
- \*14. Consider approval of Bid #07-020 for the purchase of **Police Uniforms from C & G Wholesale** in an amount not to exceed \$45,883.00
- \*15. Consider approval of Bid #07-015 for the purchase of **Radar Equipment for the Police Department from Applied Concepts** in an amount not to exceed \$35,000.00.
- \*16. Consider approval of **Fuel for Fire Department and Police Undercover Vehicles from Fuel Man Fuel Card** in an amount not to exceed \$8,500 per month for an annual amount not to exceed \$102,000.00.
- \*17. Consider **Authorization of Expenditures for Sampling and Lab Analyses By A Certified Environmental Laboratory For The Environmental Services Department** in an amount not to exceed \$75,000.00.

### **CONTRACTS AND AGREEMENTS**

- \*18. Consider authorizing the City Manager to approve a **Contract with Smith's Painting for the Groves Grain Silo Painting Project** in an amount not to exceed \$104,450.00.
- \*19. Consider authorizing the City Manager to approve **Change Order #1 with Craig Olden, Inc. for Relocating an Existing Gas Main Along Josey Lane Within the Furneaux Creek 3 Channel Improvements Construction Project** in an amount of \$62,000.00 for a revised contract amount not to exceed \$4,442,300.00.

### **ORDINANCES**

- \*20. Consider an ordinance **Amending City Ordinance Chapter 113, Peddlers and Solicitors.**

- \*21. Consider an ordinance Amending City Ordinance 2970 to Allow Changes in the Number of Authorized Captain and Apparatus Operator Civil Service Classifications Within the Fire Department.
- \*22. Consider an ordinance Amending Chapter 31 to Include Corrections and Fee Modifications of the Comprehensive Fee Schedule.

**RESOLUTIONS**

- \*23. Consider a resolution Authorizing the City Manger to Acquire An Unimproved Tract of Land at 1226 Jackson Street for Future Transit Oriented Development.
- \*24. Consider a resolution Authorizing the City Manager to Submit a Grant Application for the Funding of the Continuation for the Carrollton Police Department’s Victim Assistance Program and Authorizing Local Match Funding of 26% of the Grant Amount Awarded.
- \*25. Consider a resolution Authorizing the City Manager to Enter Into an Inter-Local Agreement with Denton County for Emergency Ambulance Services Provided to Designated Areas of Denton County.
- \*26. Consider a resolution Accepting the Comprehensive Annual Fiscal Report (CAFR) for Fiscal Year End September 30, 2006.

**OTHER BUSINESS**

- \*27. Consider Approval for Payment to MICA Corporation For Reimbursement of Electrical Costs For The High Mast Lighting On Interstate Highway (IH) with the President George Bush Turnpike (PGBT) Interchange in an amount not to exceed \$78,252.78.

*Mayor Miller adjourned the meeting at 7:30 p.m.*

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Becky Miller, Mayor

ATTEST:

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Ashley D. Mitchell, City Secretary