

**CITY COUNCIL STRATEGY AND PLANNING SESSION
MINUTES
JUNE 30/JULY 1, 2017**

**DAY ONE
FRIDAY, JUNE 30, 2017:**

PRESENT: Mayor Gottel, Mayor Pro Tem Dana-Bashian, Deputy Mayor Pro Tem Bobbitt, Councilmember van Bloemendaal, Councilmember Brown, Councilmember Hargrave and Councilmember Bell

Mayor Gottel called the meeting to order at 8:18 a.m.

Opening Remarks and Review of Retreat Goals

Brian Funderburk, City Manager, reviewed the agenda for the next two days and the rules of engagement. Mayor Gottel commented the employee compensation issue was something that he felt was a priority

Tax Values, Priorities & Strategies

Brian Funderburk, City Manager, reviewed the development in all areas of Rowlett, the gap in the Bayside property taxes due to the delays in development, proposed increases in property values, and future bonding capacity. He then outlined strategic choices that need to be made from increased revenues, which include: issuing bonds to complete the promises from the 2015 GO bond election; paying competitive salaries; making up revenues lost in fixing the Utility Fund; hiring more employees to meet increasing service demands from a growing population; or providing tax relief.

He further explained If we don't make up the decrease in the Capital Maintenance Fund, we will have to reduce or eliminate annual programs such as community enhancement projects, concrete pavement repairs, alley improvements, etc. by one million dollars. Even without new employees in FY2018, we will need to increase staffing in public safety just to handle Bayside by FY2020.

He provided an opportunity for Council to establish strategic priorities for the upcoming budget year that will impact future budget discussions.

Break at 10:04 p.m. Reconvene at 10:26 p.m.

2015 Capital Bond Program and the "Next" Bond Election

Shawn Poe, Director of Public Works, provided an update on the 2015 Bond projects, showing how the update provides greater detail in terms of timeline and budget information. This update will be posted to the website.

Jim Proce, Assistant City Manager, provided information on the "report card of infrastructure" across the country in general and that infrastructure maintenance is not specific to Rowlett. He provided updated numbers for the 2018 bonding capacity. He and Mr. Poe also provided an update on the status of the Community Investment Advisory Board (CIAB) and where they are in the process of reviewing projects for the 2018 bond package.

Mr. Poe states he will be able to have all projects under construction or completed by February 2018 when the election would be called. It was the consensus of Council to revisit this item in December 2017 when they meet with the CIAB.

Staff will review road/alley conditions to determine better cost estimates in the meantime. Staff will work on improving communication regarding status of current projects and educating the public regarding what's available on the website.

Break at 12:09 p.m. Reconvene at 12:25 p.m.

Council Governance Topics (working lunch)

Mayor Pro Tem Dana-Bashian , with the assistance of Laura Hallmark, City Secretary, researched what other cities' City Councils were doing in relation to conducting their business. For example, Council had established the Judicial Review Committee for the purpose of interviewing and making recommendations to Council for the appointment of the Associate Municipal Judges and then made it an official sub-committee with oversight responsibility of the Municipal Judge. Deputy Mayor Pro Tem Bobbitt recommended an Ethics sub-committee be formed and provided information from other cities for review.

One of the suggestions made was to create a sub-committee for the purpose of dealing with City Boards and Commissions appointments and regional memberships. Another suggestion was to change some of the functions of the already-in-place Audit Committee.

Council reviewed the information presented and after further discussion, determined to create the following subcommittees: Judicial Review Committee – already created, will appoint permanent members; Finance (formerly Finance & Audit) Committee – already created; Ethics Committee; Intergovernmental Relations Committee – there was a strong desire to create this sub-committee as soon as possible to help with the upcoming appointments to City Boards and Commissions in September. Each sub-committee will need to meet and develop its purpose and oversight responsibility before reporting back to Council.

Break at 1:20 p.m. Reconvene at 1:26 p.m.

Enterprise Funds

Kim Wilson, Director of Financial Services reviewed the Utility Fund, history of transfers to the General Fund for the Cash CIP, ongoing issues of North Texas Municipal Water District's "take or pay" system as a customer city, the City of Garland wastewater treatment contract and the current water rate study underway. She also provided an update on the fixed-based meter reading replacement and its implementation in the fall.

Next, staff presented options for the refuse rate for the new FCC contract and FY2018 budget. The cost from the vendor is known, but the rates for the customers is to be determined. The majority of revenue generated goes to alley improvements. Staff provided rates for surrounding cities as a comparison. Staff asked for direction from Council on a preferred rate model. It was the consensus of Council to use the 80/20 split between residential and commercial, which is more in line with what is currently in place and requested that a separate fee be listed on the City's public services bill for "paved roadways maintenance".

Break at 3:47 p.m. Reconvene at 4:03 p.m.

Executive Session with City Attorney

The City Council shall convene in executive session pursuant to the Texas Government Code, §551.071 of the Texas Government Code (Consultation with Attorney) to receive legal advice from the City Attorney in connection with training and orientation for Councilmembers.

In Executive Session at 4:03 p.m. Out at 5:36 p.m.

Wrap-up & Closing Remarks

There were no closing remarks. The session ended for the day at 5:36 p.m.

DAY TWO SATURDAY, JULY 1, 2017:

PRESENT: Mayor Gottel, Mayor Pro Tem Dana-Bashian, Deputy Mayor Pro Tem Bobbitt, Councilmember van Bloemendaal, Councilmember Brown, Councilmember Hargrave and Councilmember Bell

Mayor Gottel called the meeting to order at 8:18 a.m.

Employee Compensation Study Implementation Strategy

Richard Jones, Director of Human Resources, presented a brief review of the results of the compensation study that had been presented to Council on June 13th. He then presented three options for implementation in FY2018, projections for FY19-20 for each of the three options and implementation strategies moving forward to include: moving the City's pay ranges and steps annually when necessary to remain competitive and adjust for market growth; creating a step/merit pay plan for open range employees to be implemented in 2019 or 2020 once the City's pay philosophy is implemented and our pay meets that strategy.

It was the consensus of Council to select Option C, which brings all employees within the range of average of comparison cities with the following:

- Police: 8% step increase and step increase on anniversary date
- Fire: 6% step increase and step increase on anniversary date
- Open Range (non public safety): bring all those below minimum up to minimum, 3% increase for all employees, compression increase

Bayside Impact on Public Safety

Neil Howard, Fire Chief, presented the statistics for Bayside as the project stands today versus how the project was initially thought to be, in terms of number of buildings, units, stories and population at project completion and how all those affect response times and the effectiveness of the fire department. The ISO rating could also be affected by the response times. Chief Howard presented information regarding the type of equipment and personnel that might be required for coverage and building space necessary to house them. Staff has been in discussions with the developer to provide a space for Public Safety on-site to include Fire and Police.

Staff will evaluate the possibility of utilizing TIRZ dollars to pay for the build out and equipment for a new Fire Station at Bayside.

Michael Godfrey, Assistant Police Chief, presented the Police Department's strategy and research in evaluating the needs at Bayside. Because of the unique qualities of the property, resources will be required by both the City and the developer. Because of the high tourist population, they'll implement "Tourism Based Policing" in that area. The Department has enlisted the assistance of a specialist in the field of tourism and terrorism by the name of Peter Tarlow – a professor from Texas A&M University. Staff has scheduled a meeting with him to get recommendations on staffing and protocol.

Break at 11:05 p.m. Reconvene at 11:14 p.m.

Council Governance Topics (working lunch)

The City of Rowlett belongs to various regional organizations such as North Central Texas Council of Governments, Texas Municipal League, National League of Cities, etc. These memberships cost money and this is an opportunity for Council to evaluate these and determine if they want to maintain membership for next year's budget. Ms. Hallmark presented handouts for each of the organizations and provided their membership cost. It was the consensus of Council to have City staff prioritize the organizations the City belongs to with recommendations for continued membership. Deputy Mayor Pro Tem Bobbitt will provide supporting documentation for the Tex21 membership.

Each year, Councilmembers are provided with budget dollars to attend Training, Travel, Registration and various civic and social events. At last year's strategy planning session, it was determined that each Councilmember would be allotted \$1,500 for Training and it was the consensus of Council to continue that for this next year, add \$5,000 for the Mayor for training (U.S. Conference of Mayors) and an amount to be determined after further research by the City Secretary for the civic/social events.

Break at 11:55 p.m. Reconvene at 12:19 p.m.

Budget Requests from Boards and Community Partners

The various Boards and Commissions and City partners and volunteer organizations who receive funds annually submitted their budget requests and Council reached a consensus on the following:

Agency	FY2017	FY2018	Council
AHC	\$50,000	\$71,000	\$51,000
Golf Advisory Board (reallocate funds already set aside)	30,000	30,000	30,000
Keep Rowlett Beautiful	25,000	25,000	25,000
Rowlett Chamber	25,000	50,000	25,000
RCCC	25,000	25,000	25,000
Rowlett Housing Finance Corporation	n/a	22,600	25,000
Senior Advisory Board	80,219	59,000	59,000
Honor Academy (CDBG Direct)	11,107	11,107	11,107
Life Message (CDBG Direct)	17,048	19,143	19,143
Habitat for Humanity (CDBG Reallocation)	144,928	93,225	93,225
Life Message (CDBG Reallocation)	12,000	37,857	37,857
Rebuild Rowlett (CDBG Reallocation)	50,000	-	-
Retreat (CDBG Reallocation)	10,000	-	-
Salvation Army (CDBG Reallocation)	25,000	-	-
Total	\$505,302	\$445,932	\$401,332

- Council requested that the Chamber itemize what the \$50,000 would be used for and bring back for discussion during the budget work sessions in August.
- It was noted that the \$25,000 for HFC would be considered a loan. After the HFC Board is set up, the City will be willing to consider a larger loan if requested.

- Arts and Humanities was approved for the additional \$1,000 for operating costs, but not the additional \$20,000 requested. It is suggested that research be conducted into fundraising as a permanent source of funds.

Break at 2:37 p.m. Reconvene at 2:48 p.m.

Discuss Upcoming 2018 Strategic Planning Process

Mr. Funderburk outlined the strategic planning process, showed some examples of other entities' strategic plans as well as Rowlett's 2004 strategic plan. Council provided consensus to include the cost of developing a strategic plan for 2018 in the FY2018 budget proposal and to begin the RFP process now so that the process can start in the fall. Also, visit with Marc Kurbansade, Director of Development Services, to see if it is possible to delay finalizing or at least synchronize the Comprehensive Plan schedule with the Strategic Plan.

Wrap-up & Closing Remarks

Councilmembers made the following remarks:

- Staff should review the use of consultants – are they being used too much – maybe not needed.
- Messaging for the FY2018 Proposed Budget should be about what we “are” doing not what we “aren’t”. In other words, what does the proposed budget include rather than what it doesn’t.
- Need to have a communication strategy in place for the budget process in August.
- The City should be the one communicating and marketing its own “events” – new developments' progress, new businesses. Look into posting the Friday @ 5 to the City's website and Facebook.

Mr. Funderburk thanked Council for taking the time to attend the two-day event. Mayor Gottel thanked staff for putting in the hard work to put the session together.

The session adjourned at 4:03 p.m.



Todd W. Gottel, Mayor



Laura Hallmark, City Secretary

Date Approved: August 1, 2017