

**CITY OF GRAND PRAIRIE
MINUTES
CITY COUNCIL BUDGET WORKSHOP
August 21, 2015**

The City of Grand Prairie (City) City Council convened at 9:00 AM on August 21, 2015 in The Lodge at Loyd Park. The following members were in attendance:

COUNCIL MEMBERS PRESENT

Ron Jensen, Mayor
Jim Swafford, Mayor Pro Tem
Jorja Clemson, Deputy Mayor Pro Tem
Jeff Copeland
Richard Fregoe
Greg Giessner
Tony Shotwell
Lila Thorn
Jeff Wooldridge

Item #1: Introduction

With a quorum present, Mayor Jensen called the meeting to order.

City Manager Tom Hart welcomed the City Council and Staff to the budget workshop, and added that there would be a slight change to the agenda with Police Chief Dye giving the Police Overview first.

Item #2: Police Overview

Police Chief Steve Dye stated that some of the accomplishments this year for the police department included the following: 10th safest city in Texas with populations over 100,000, 37% crime decrease since 2010, Cops-N-Kids Fishing event that allowed officers to interact with kids who would had never been fishing before, GPPD Safe Exchange Zone, new patrol beats, and centralized video repository. Chief Dye gave an updated staffing plan saying that in fiscal year (FY) 2011 there were 227 officers, in FY 2014 there were 252, and in FY 2016 we plan to have 261 officers. There are 4 Police Academy Classes. Chief Dye stated that the take home vehicle program has been a great success with there now being 75 vehicles in circulation. Chief Dye also stated that diversity within the department had improved, and that the diversity continues to improve.

Chief Dye stated that property crime had continued to decrease from 2010 to 2014 with burglary decreasing 54%, theft decreasing 32%, Auto Theft decreasing by 35%, with a total reduction of 38%. Chief Dye stated that Violent Crime is also down from 2010 to 2014 with the murder rate staying the same, rape cases increasing by 15%, robbery decreasing by 16%, and aggravated assault decreasing by 27%. The total crime rate has also decreased from 2010 to 2014 by 37%. The City of Grand Prairie major city ranking has also increased from 16th to 10th in the 34 cities over 100,000 in population in Texas. Chief Dye stressed however that it is not just about the ranking, but that this represents that there have been 2,965 fewer victims of crime in 2014 versus 2010.

Talking about future initiatives, Chief Dye mentioned plans for body worn cameras, increased foot and bicycle patrol, the real-time crime center which allows for a shortened response time to alarm notifications, increased focus on recruiting, enhancing the code, patrol and problem solving unit collaboration by beat, increasing the number of neighborhood crime watch groups, and quality of life focus.

Item #3: Statistical Information Overview

Mr. Hart stated this presentation is meant to give a general overview of the economic and financial conditions of the City. Mr. Hart noted that one of the major differences in the cities in the metroplex has been the significant growth of Frisco and McKinney. Mr. Hart stated that the City decided following the most recent recession that the City should be tracking not only the budget, but the economy and its effect on the budget. The labor market in the area is down from at an unemployment high of 9.2% in 2009 to a current level of 3.8%. Mr. Hart stated the trend in residential permits is up over recent years, and that the average value per residential permit has also risen to \$280,251. Mr. Hart noted that there is a strong correlation between foreclosures, and the direction the economy is headed. Within Grand Prairie, foreclosures are down significantly in 2015 over the last several years. Residential Building permits are holding steady from previous years. Mr. Hart noted that pre-owned homes average sales price per square foot is currently at \$83, higher than previous, but not as high as the City would like.

Mr. Hart stated the current cost of City services is \$65 per month based on the average home value; this is compared to the average cost of digital cable of \$119. If the cost of your home is higher than the average, than the cost will be somewhat higher for City services. Mr. Hart stated that the City of Grand Prairie is only 26% of the average residential tax payment for Dallas County homes. When considering what it costs to live in Grand Prairie, considering property taxes, water fees, wastewater fees, storm water fees, and solid waste fees the City cost for an average home value is estimated to be \$2,231. Property tax rates have been the same since FY 2001, and decreased before that. Mr. Hart stated that he would like for the Commercial and Business tax value to become a larger proportion of property value than it currently is. The

business personal tax is a fairly flat trend line. The commercial tax value is trending upward. Residential Tax Value is coming back up from the devaluing during the recession years.

Mr. Hart stated that the average single family home price for permits issues for FY 2015 is \$316,601. Mr. Hart noted that there was a 5.09% increase in the property value from FY 2015 to FY 2016. Mr. Hart stated that the only sister cities in the area that have not raised taxes are Grand Prairie, Arlington, and McKinney. Currently, a one penny increase in the tax rate would generate \$1,087,370 in additional revenue. Currently, the City spends 72% on operations and maintenance, and 28% on interest and sinking. The property Tax Revenue per capita for the City is \$399, with the average being \$489. This difference gives cities at the average \$16,435,122 in property tax revenue. Mr. Hart stated that Grand Prairie is at \$144 sales tax revenue per capita. This is a difference of \$52 over the average, which means the City would be generating approximately \$9,573,066 if the sales tax per capita were at the average for the area. Mr. Hart stated that by using the sales tax for things such as streets and Crime Tax, it has allowed the City to fund things such as Fire and Ambulance service more adequately. Mr. Hart stated that the sales tax per capita is also trending upward.

Mr. Hart noted how many different things the City has been able to do with the sales tax portion, adding that these things would not have been possible had the voters decided that mass transit would be appropriate for the City. Council Member Shotwell asked why some cities had 1.50% sales tax in the General Fund. Mr. Hart said this was due to a property tax buy-down option. Council Member Giessner asked if the 4A and 4B referred to economic development. Mr. Hart said that it was, adding that the 4B is more flexible, but is controlled by a separate board and 4A relates to incentives.

Mr. Hart stated that some of the expenditures per capita can be skewed for Grand Prairie due to the fact that the City covers such a wide area. Currently Grand Prairie has 1,283 full-time employees. This equates to one employee for every 142 citizens. Mr. Hart stated that he feels this shows Grand Prairie to be an efficient city. Mr. Hart asked what the percentage of personnel is in the General Fund. Budget and Purchasing Director Kathleen Mercer stated that it is currently 75%. Mr. Hart stated that the City has put an emphasis into public safety, but has also strived to keep a balance within the City. Mr. Hart stated that there has been approximately a 100 person increase in the General Fund in 16 years; however, he also noted that several other individuals have been added within other funds in the City as well.

Mr. Hart stated that he believes that once the building is paid off that the other 1/8 cent currently being used for the building will also be shifted to help support to Crime Tax. Mr. Hart noted that if this is done, it will allow other funds to be freed up to allow funding for fire and other activities in the General Fund. Mayor Jensen asked when the expected payoff for the building was. Ms. Mercer stated that it is in FY 2023.

Item #4: General Fund

Ms. Mercer stated that some of the challenges within the General Fund include increases in vehicle maintenance, police and fire step, compensation and competitive salaries, large land area to serve, and aging infrastructure. The City increased vehicle maintenance by 10% due to take-home police vehicles, and kept the cost of fuel at an estimated \$4.00 per gallon. The proposed budget funds a compensation plan of 3%, as well as adding 8 new positions. This leaves the General Fund with a year-end surplus of \$118,677.

Ms. Mercer stated that the revenues for the General fund are generated from 46% property taxes, 23% sales tax, 13% franchise fees, 2% licenses and permits, 5 % charges for services, 6% for fines and forfeits, and 5% from other sources. The expenditures for this fund are proportioned as 78% for personal services, 4% for supplies, 15% for other services and charges, 1% for capital outlay, and 5% for a transfer to park venue. There are also -3% for reimbursements.

Ms. Mercer stated that the FY 2015 sales tax projection is \$25,747,508. This less the \$633,635 in one-time collections and separated contracts is \$25,113,873 which is the base for the FY 2016 sales tax projection. In the total in FY 2016, the proposed budget expects there to be a 3% growth in sales tax with 1.5% in new online sales tax being collected, or totaling a 4.5% increase. This increase shows that we are expecting a sales tax collection of \$26,242,289 for FY 2016. Council Member Shotwell asked if the \$26,242,289 included any paybacks. Ms. Mercer confirmed that it included all paybacks, and was a net of all considerations. Council Member Copeland asked for clarification that the \$26,242,289 only includes the portion that the City is expected to be able to receive and use. Ms. Mercer confirmed that this was correct. Mr. Hart noted that a city does not have the option to negotiate any paybacks on sales tax other than to the General Fund portion of the tax. Council Member Wooldridge asked how many 380 agreements the City currently has. Ms. Mercer said that there was only one agreement currently.

Ms. Mercer stated that the future city-wide challenges include legislative actions such as revenue caps and sales tax collections, workforce development including competitive salaries, TMRS benefits and retiree payments, as well as the potential for inflation or a slowing economy. The City always strives to stay up to date with the latest economic developments, and will continue to do so.

Item #5: Fund Balances

Finance Director Diana Ortiz explained that the fund balances all have different regulations and laws, and in order to comply with these laws the City needs to separate out these funds. Additionally, these individual funds have a reserve balance in them to make sure they are

operating, and will be able to continue operating. Ms. Ortiz stated that within the General Fund Family there are a variety of funds, including the General Fund, the GO Debt Fund, Pooled Investment, and the Capital Lending Reserve Fund. These are all supported by the General Fund resources such as the property and sales tax. Council Member Shotwell asked for clarification that on the Capital and Lending Reserve Fund, the City will have a higher balance at the end of the year versus the beginning on the year. Ms. Ortiz confirmed this was correct. Ms. Mercer stated that the \$7,524,160 transferred in to the Capital and Lending Reserve Fund is for the Epic Loan that is being paid back.

Ms. Ortiz stated that there are several funds included within the Capital Projects Family including the Equipment Acquisition Fund, Streets, Facilities, Library, Fire, Capital Reserve, Information Technology, and Police. Ms. Ortiz stated there is no fund balance policy related to the capital projects family. Within the Internal Service Funds are the Employee Insurance Fund, Risk Management Fund, and Fleet Services. These are funds that supply to the various divisions with support services. Parks and Recreation Funds Family include the Park Venue Operating Fund, the Parks Building Upkeep Fund, Lake Parks, Prairie Lights, Parks Capital, and Lake Parks Capital. Council Member Shotwell asked which fund within the Parks Family contains the sales tax. Ms. Ortiz said that the sales tax is included within the Park Venue Operating Fund. Council Member Copeland asked why, within the Risk Management Fund, the projected balance is nearly half of the beginning balance. Ms. Mercer stated that this was because of the additional one-time funds that are being used which draw down the projected balance. Ms. Ortiz stated that Golf Family contains the Golf Operations Fund and the Capital Projects Fund. The Cemetery Family of Funds includes the Cemetery Operating, the Cemetery Replacement, and the Cemetery Perpetual Care Funds. These funds have special regulations they must comply with such as state law, and health code. The Water Wastewater Family of Funds includes the Water Wastewater Operations, the Debt Service, Water Capital Projects, Rate Stabilization Trust, and the Wastewater Capital Projects. The Solid Waste (SW) Family of Funds is another enterprise type fund. This family of funds includes SW Operations, SW Capital Projects, SW Equipment Acquisition, SW Closure Liability, SW Liner Reserve, and SW Landfill Replacement. Mayor Jensen asked what the expected lifetime of the landfill was. Ms. Ortiz stated that she believed it was between 35 and 40 years. Miscellaneous Funds include Stormwater Utility Operations, Storm Drainage Capital Projects, Airport Operations, Airport Capital Projects, Hotel/Motel Operations, Hotel/Motel Building, Municipal Court Technology, Municipal Court Building Security, Judicial Efficiency, Juvenile Case Manager, Cable Operations, Red Light Camera, U.S. Marshall, and Truancy Prevention and Diversion. Ms. Ortiz noted that many of these funds are cash funded, so they do not have to borrow as much, which helps the City's position. Council Member Shotwell asked for an explanation on the Hotel/Motel Operations and Hotel/Motel Building Funds. Ms. Ortiz stated that the Hotel/Motel Operations Fund is funded from taxes from the area hotel/motels, and must comply with state law for how the funds are used. The Hotel/Motel Building Fund is for the direct maintenance of the buildings under the Hotel/Motel

Tax umbrella such as the Tourism Center. The Sales Tax Venue funds include the Baseball Stadium Fund, Summit Center, Crime Control District, and Epic Center. Council Member Copeland asked what the revenue for the Baseball Stadium Fund is. Ms. Ortiz stated that it was from 1/8 cent sales tax. Ms. Mercer also stated that this was for only two months of sales tax in FY 2016; after those two months, the sales tax will be shifted to the Epic Center Fund. The TIF & PID Family of Funds includes TIF 1, TIF 2 (Closed), TIF 3, and PIDs. The Trust Funds Police Family consists of Federal Seizure, State Seizure, Community Enforcement, and Miscellaneous. Other than all of these funds, there are additional funds of 25 grants, Housing Finance Corporation, and Sport Corporation. Mayor Pro Tem Swafford noted that there are 60 funds within the City, with many of those having requirements of fund balances, and only two of those funds currently have a negative as far as the requirements are concerned. Those funds are Capital Reserve, and Lake Parks. Ms. Mercer stated that Lake Parks became that way this year due to the flooding. Council Member Copeland asked what would happen to the money in a park fund, if that park fund were to no longer exist. Mayor Pro Tem Swafford said that the money would stay within the other Park Funds.

Item #6: Employee Insurance Fund/TMRS

Human Resources (HR) Director Lisa Norris stated that the Employee Insurance Fund is in good shape with not many changes happening this year. Ms. Norris stated that the largest change between the current year and the proposed year is the employer contributions active revenues. This is mostly due to the self-funding of Stop/Loss. Ms. Norris noted that it is not that the revenues have reduced as is reflected in this fund, but that those revenues have been moved to the Risk Fund. Ms. Norris stated that the Employer Contributions for Retirees and the Retiree Medical Contributions should be funding the expenses of the Retiree Medical Claims/RX. Currently, this has not been happening, which has led staff to propose the change of lowering the employer contributions on the actives, and raising the employer contribution on the retirees. This will help to offset this imbalance. In the expenses section, employees have remained engaged, and the City has done many initiatives to help them choose appropriate doctors, and to maintain preventative health. Currently, 46% of individuals are using these services to go to places for the most appropriate doctor. The retiree expenses are increasing, much of this is due to more individuals retiring. In order to help with these costs, the HR team has also added them to more email lists, and continues to invite them to more insurance related seminars, and other events. Within the one-time expenses, there are a few programs including the Naturally Slim program that helps individuals with weight loss, Medical Home Pilot, CVE Exercise Room, and Alere Tobacco Cessation Program. Council Member Shotwell asked why there was a large increase in the CVE Exercise Room. Ms. Norris stated that these were due to equipment purchases, and necessary renovations to the bathrooms. Mayor Jensen asked when the City began to self-fund the Stop/Loss. Ms. Norris stated this was started last year. Ms. Norris stated that the Stop/Loss program is useful for any high claimants that come up, and this is now funded from the Risk

Fund at what will eventually be built up to roughly \$4,000,000. In addition to this, there is \$2,000,000 in contingency within the Employee Insurance Fund.

Ms. Norris stated that the City is doing well on the 10-year trend for medical claims. For the retiree medical claims this has increased significantly, this is largely due to the baby boomers retiring. Employee cost for the City is higher for premiums; however, these premiums are providing very strong benefits to City employees compared to other cities. With the silver plan that is available to employees, the coinsurance and the premiums are both lower than the other cities' average. Council Member Copeland asked if we had considered an HSA. Ms. Norris stated that we had, but in consultation with their consultants had determined that it would not be a benefit to the City or employees to do so. Currently Silver is the most popular employee health plan, with bronze the second most popular, and gold the least popular. Ms. Norris stated that this will sometimes change year to year.

Ms. Norris stated that the Affordable Care Act has impacted the City in a significant way. Beginning in January 2016, the City must have available to all employees an annualized statement, by month, of their eligibility for benefits. The reason for this is because all individuals who work over 30 hours per week must be offered insurance. The City will also have to offer insurance retroactively to individuals who were eligible. Mayor Jensen asked if the 30 hours per week was figured on an annual basis. Ms. Norris confirmed that it was annualized. HR is currently working with IT to show employees their current average as well as their running average for the year. Mayor Jensen asked what the internal policy was for how many hours constituted full-time. Ms. Norris stated that the current internal policy is 40 hours per week employees are benefit eligible. Ms. Norris stated that beginning in 2018, there will be a 40% excise tax imposed on the value of health insurance benefits exceeding certain limits. As of now, the City has not reached any of the limits that would cause the City to be charged the 40% tax. Ms. Norris stated that the City would be changing back from a multi-tier copay system to a single-tier system due to necessary administration involved with the multi-tier system.

Ms. Norris stated that goal of the wellness program is to have a variety of programs that touch as many individuals as possible. In addition to the health fair, there have been wellness activities and screenings such as healthy selfies, smoothie showdown, convert your dessert, sleep screenings, cardiovascular screenings, and spinal screenings. Ms. Norris stated that Naturally Slim has been a great program for the City, as well as other weight management programs. There are also many other resources for wellness that the City provides such as Airrosti, Compass Professional Health Services, United Health Care Resources, and City workout facilities. Ms. Norris stated that within the risk management aspects, the City is continuing to monitor the tobacco cessation program options, which are now available to employees. In the future, there will potentially be a surcharge for tobacco use.

Deputy City Manager Anna Doll stated that our TMRS system has a feature potentially available that is called employee buy-back. This is when a current City employee has the opportunity to buy back funds that were forfeited when the employee left a TMRS city. Ms. Doll stated that there are currently 72 employees who would be eligible, and 24 of those employees were employed in Grand Prairie previously. This buy-back is optional for employees. The cost to employees is the amount they forfeited when they left a TMRS city as well as a 5% penalty for each year the money remained withdrawn. The repurchase must be completed at one-time. Ms. Doll stated that there is a cost to the City. The buy-back liability and costs are Grand Prairie's liability, even if that individual withdrew the money from Arlington, Mesquite, Irving, etc. The estimated full liability would increase the TMRS 2016 rate by 0.33%. However, the actual liability depends on how many individuals purchase the buy back. TMRS estimates that 15% of those eligible will participate. Ms. Doll stated that the calculation provided conservatively uses a 0.10% increase, based on the idea that 15% of employees will take part in the buy back. The impact to the General Fund for a 0.10% increase to the 2016 rate would be \$44,990. The impact to the PVEN General Fund would be \$1,839, which would total \$46,829 for the General Fund. Mayor Jensen asked for clarification on the employee participate rate estimated in the stated numbers. Ms. Doll stated that these numbers reflect approximately 15% of the 72 employees participating. Ms. Doll stated that the impact to funds other than the General Fund would be \$10,684, for a grand total of a \$57,513 impact. Ms. Doll stated that other cities have done a buy-back before as well. The City of Grand Prairie did a buy-back in 1989, with Arlington completing one more recently. Ms. Doll stated that they felt it to be an appropriate time because employees have asked the City to look at this as an option. Mayor Jensen asked if this was a one-time opportunity. Ms. Doll stated that it is only available for the employees currently eligible; however, those employees will remain eligible until they leave the City. Council Member Shotwell asked for clarification that if someone joined the City after the buy back opportunity, then they would not be eligible. Ms. Doll confirmed this was correct. Council Member Wooldridge asked if the number eligible would continue to decrease as employees left. Ms. Doll confirmed this was correct, the number of eligible employees would only get lower, not higher.

City Council and staff continued discussion on the impact of the TMRS buy-back, coming to the conclusion to not include the TMRS buy-back in the FY 2016 proposed budget. Council Member Giessner asked if we were currently educating employees that leave the City of their options regarding TMRS. Ms. Norris confirmed that the City does do that, and has them sign that they understand the information.

Item #7: Water/Wastewater Fund

Ms. Doll stated that most of our water comes from Dallas South at 61%; we also receive water from Midlothian, City Water Wells, Dallas North, Fort Worth, as well as having the option for Mansfield and Arlington, which are both not currently in use. The pass thru increases from

providers range from 6.6% to 15.1%. Wastewater treatment is from TRA, which has a pass thru increase of 9%. The major sources of rate pressures are the water sales that are down 6.7% due to extremely wet and mild Spring, increased TRA flows and charges due to historic flooding through early June, increased Dallas Water Utilities wholesale rates (15.6%) due to an ongoing legal dispute with the Sabine River Authority. The increased rainfall in May of 2015 caused many of the problems this year. Ms. Doll stated that within the Water Wastewater Fund, the expenditures are much different from the General Fund. 46% of expenditures are for water purchase and wastewater treatment, transfer to CIP/Debt/GF/Other at 31%, personal services at 11%, supplies at 2%, services at 7%, and capital at 3%. The financial goals for this fund are 0% dependence of rate stabilization, for ending resources a coverage ratio of 2 times, days in cash with rate stabilization fund of 90 days, and increasing the stabilization fund balance. The City is currently meeting all of these goals. The projected rate increase for the next 5 years is 4.5% per year. Ms. Doll stated there are two parts to our rates: fixed and variable. Ms. Doll addressed the particular rate increases by tier, with an average of a 4.5% increase. Mayor Pro Tem Swafford asked if the tiered rates applied to all gallons if an individual went over that amount. Public Works Director Ron McCuller stated that only the gallons over the threshold would be charged the higher rate. Ms. Doll added that that threshold difference did not apply to the lowest tier at 3,000 gallons; if you go over the 3,000 gallons, all gallons up to 20,000 will be charged in the second tier. Ms. Doll stated that the fixed charges would also be increasing by the average of 4.5%. The City is currently below the average for 3,000 gallons, approximately at the average charge for 8,000 gallons, approximately at the average for 35,000 gallons, below average for Commercial at 43,000 gallons, and below average for industrial at 161,000 gallons. Currently in the proposed FY 2016 budget is \$6,885,000 for Water capital projects, as well as \$552,000 in Wastewater capital projects.

Item #8: Solid Waste Fund

Deputy City Manager Tom Cox stated that the proportion of expenses within the fund has not changed. Mr. Cox stated that Republic has asked for a rate increase, and with consultation with staff, has decided not to recommend a rate increase. Mayor Pro Tem Swafford stated that he felt that staff had not yet been provided to a satisfactory extent that a rate increase was necessary, and therefore had not yet brought a rate forward. Mayor Jensen agreed with this decision.

Mr. Cox stated that for the current cost the City provides twice a week garbage collection, once a week recycling collection, on demand bulky pickup, monthly brush collection, monthly litter collection, monthly street sweeping, household hazardous waste collection, illegal dumping cleanup, and once per month free landfill access for residents. Additionally the City funds from the Solid Waste Fund the Keep Grand Prairie Beautiful program, auto-related business program, educational programs, alleyway maintenance, brush crew program, drainage program and transfers to various other Solid Waste related funds. Council Member Shotwell asked for

clarification of where the funds for large brush pickup come from. Mayor Jensen stated that small brush was picked up by Republic, and large brush is picked up by the Public Works staff, and is funded by the Solid Waste Fund. Council Member Copeland asked what streets receive monthly street sweeping. Mr. Cox said that there were the main arterial road ways within the City, not residential streets. Mr. Cox stated that the City now converts gas to energy at the landfill and is able to generate enough power for thousands of homes. Mr. Cox stated that the expected remaining lifetime of the landfill is 35-40 years, and that number continues to get better as recycling programs are better achieved. There are no capital projects proposed for FY 2016. Council Member Shotwell asked who the power was being sold to. Mr. Cox said he was unsure, but could follow-up with an answer.

Item #9: Fire Overview

Fire Chief Robert Fite stated the department's budget has been based on a three year budget plan. The first year was to evaluate, the second year was to implement, and the third year, the current year, is the development stage. This is reflected in many of the department's plans for the types of proposals they are bringing forward, such as bringing in consultants with HIPAA compliance, ISO compliance, as well as other improvements. Likely, the department will be in the development stage for a few years before beginning to reevaluate the current status of the department. Chief Fite stated that the Hazardous Material Team is up and running without costing the City any money. Chief Fite stated that EMS continues to be one of the largest challenges for the City due to various regulatory issues from a variety of agencies, and because of this the department added an EMS civilian in the proposed budget that would be responsible for regulatory issues. Chief Fite stated that the department will begin preparing for the ISO in January, with a review to follow-up in June. Partnerships with the Irving, Mansfield, and Cedar Hill fire departments will continue to grow with the hope of eventually establishing a borderless response network. Council Member Copeland asked if there was any liability in potentially having longer transport times from other cities. Chief Fite stated there was not because it would always be the closest EMS department that would respond, thereby decreasing response times. Mayor Pro Tem Swafford asked for further explanation on the current hospital challenges, and HIPAA requirements. Chief Fite stated that within this year's budget is a HIPAA compliance review. Chief Fite stated that there are hospital challenges with the variety of types of hospitals that are continuing to grow in the area, which put the paramedics in a situation where they must make a decision on which type of hospital or emergency room is most appropriate. Chief Fite stated there is always a target balance to be had between high risk low frequency versus the low risk high frequency tasks, as well as high risk high frequency. Chief Fite stated there are some capital improvement concerns with Fire Station 4, Fire Station 3, and Fire Station 6. Chief Fite stated that the department is on a schedule to have award banquets every other year, with the next Gala being in 2015.

Item #10: Parks CIP

Parks, Arts and Recreation Director Rick Herold stated that the Parks department only succeeds with the help of all other departments. Mr. Herold stated that the Charley Taylor renovations are some of the proposed CIP costs for FY 2016. Others CIP costs will include park infrastructure improvements, fitness equipment replacements, Kirby Creek natatorium painting, and golf maintenance replacement for Tangle Ridge and Prairie Lakes. Mr. Herold stated that staff would also begin reevaluating the master plan in future years. Council Member Shotwell asked when renovation work at Charley Taylor would begin. Ms. Mercer stated that she felt depending on how the sales tax comes through, that funding could potentially be fully funded by the end of calendar year 2016. Mr. Herold stated that the City has heard that it would be receiving some money back from FEMA for lost business; however, they are still unsure how much that would be.

Item #11: The Epic

Mayor Jensen stated that the ground breaking for The Epic will be October 17th. Mr. Herold stated that The Epic will be the largest barrier free playground in the state. The playground will be built into pods. This playground will also be able to bring generations together. Council Member Copeland asked if there was money set aside to make sure that every piece of the property would be kept under surveillance. Mr. Herold said that yes, it was. Deputy Mayor Pro Tem Clemson said that she thought that the idea to name the park Grand Central instead of Central Park was a great idea. Mr. Herold agreed saying that this was chosen by HKS because it stood out more from other parks than the name Central Park did. Council Member Shotwell asked if the furniture would be custom built. Mr. Herold stated that yes, this is true, because the custom furniture will actually be cheaper than pre-made because of the economies of scale with HKS contracts. Mr. Herold clarified that when talking about the customization, he is talking about the internal furnishings. Mr. Cox discussed the various logos that would be used within the park. Mr. Cox discussed The Epic site plan and elevations with input and questions from City Council.

Item #12: Discussion of CIP/Future Projects

City Engineer Romin Khavari stated that the CIP project of Great Southwest Parkway (I-20 to Lakeridge) would be shifted, per Council suggestion, to FY 2020 and beyond, while allowing drainage improvements to help the current situation. This allows money to be allocated to other projects in the more near future. The design and right of way will be completed for the section from Sara Jane to Mayfield Road totaling \$1,200,000. The following year the construction from Sara Jane to Forum Phase I will be completed for \$3,700,000. The following year, in FY 2018,

will be the phase II completion of Great Southwest Parkway from Forum to Mayfield totaling \$2,000,000.

If the owners near Palace Parkway are willing to dedicate the right of way, then the City will proceed to construct this all the way through. Executive Director of Planning, Engineering, and Transportation Bill Crolley stated that at the suggestion of CMO and Council, the Planning department reviewed the option to determine if it was feasible to split the Palace Parkway construction into phases. The Planning department determined that due to issues with the Core of Engineers that it would not be a savings to the City to break the construction into phases. Mayor Pro Tem Swafford asked where this project would be funded from. Mr. Crolley stated it was funded from TIF. Mr. Khavari also stated that the project would need additional funding from CIP. Mr. Khavari stated that \$3,618,000 is funded from TIF. Mayor Pro Tem Swafford asked if there was enough time to complete the project and pay it back in four years. Mr. Crolley stated that this money had been set aside in the TIF. Council continued to engage in discussion regarding the phase options for Palace Parkway. Mayor Pro Tem Swafford asked how much cash would be left after this project. Mr. Crolley said he believed that everything after this commitment had already been committed. Ms. Mercer stated staff would follow-up with a final number. Council Member Copeland asked what the ultimate purpose of the road is to serve. Mr. Hart stated that this road would provide as a strong development site that would be available for future City development. Additionally, Mr. Hart noted that this road would provide more cueing area at that intersection. Council Member Wooldridge asked if the road intersecting I-30 could be moved further east. Mr. Crolley said that hypothetically you could, however he would not recommend it.

Council Member Shotwell asked what would be being done during the construction of Great Southwest Parkway. Mr. Khavari said the City would be adding an additional lane on each side of the road. Council Member Fregoe asked if there would be right turn lanes added. Mr. Khavari said that there would be.

Mr. Khavari stated that the other project would be the design work for Day Miar/Ragland for future developments. The proposed amount for FY 2016 for this design is \$915,000. Mayor Pro Tem Swafford asked what this road would serve. Mr. Khavari said this road would serve currently as a back way to accessing Loyd Park. Mr. Crolley stated that a zoning case has just come to the City, and the available land for this road is becoming less available. Council discussed the various options and costs for the Day Miar/Ragland development, and decided to spend the money for design, and then consider options for development as the necessary time comes.

Mr. Khavari stated that as part of the Storm Water Drainage projects there is a FY 2017 cost that is currently being proposed for Great Southwest Parkway at Prairie Creek to be constructed as part of Great Southwest Parkway from Sara Jane to Forum (Phase I).

No Executive Session

Adjournment: There being no further business, the City Council Budget Workshop adjourned at 2:30 p.m.

Prepared By:

Tim Roberts

Financial Analyst, Budget & Research