

CITY OF GRAND PRAIRIE
CITY COUNCIL BUDGET WORKSHOP MINUTES
August 23, 2018

The City of Grand Prairie City Council convened at 9:00 AM on August 23, 2018 at the Ruthe Jackson Center. The following members were in attendance:

COUNCIL MEMBERS PRESENT

Ron Jensen, Mayor
Jeff Wooldridge, Mayor Pro Tem
Jeff Copeland, Mayor Pro Tem
Greg Giessner, Deputy Mayor Pro Tem
Jorja Clemson
Mike Del Bosque
Richard Fregoe
Cole Humphreys
Jim Swafford

Item #1: Introduction

With a quorum present, Mayor Jensen called the meeting to order at 9:00 a.m. and introduced City Manager Tom Hart.

Mr. Hart started with some comments about FY18 being a good year, there being good growth in the tax base, and good sales tax performance in spite of the loss of Restoration Hardware. He stated he believes we will have good momentum over the next few years. He then discussed while there has been a lot of focus on new development in Grand Prairie, we need to prepare for approaching redevelopment efforts. Council member Del Bosque then discussed investors coming into Grand Prairie and how they recognize the growth and redevelopment potential. Mr. Hart then discussed a couple new developments in the works, including Main Event, Living Spaces, Aviv Hotels, and Andy's Frozen Custard.

Mr. Hart then started discussing the budget. He recapped a discussion from the previous Council Meeting with residents concerned about their taxes. He said Amy Sprinkles will be sending a letter to the concerned citizens explaining the situation.

Mr. Hart then discussed paying competitive wages to attract the best employees, and how the city continues to grow in population, which requires more personnel to maintain appropriate levels of service.

Item #2: Statistical Information Overview

Mr. Hart presented the Statistical Information Overview. He spoke briefly about vacancy rates. He spoke about a small dip in home sales prices. He spoke about the low unemployment rate within the city being in line with the nation averages, and that Grand Prairie has been noted as a great place to start a career.

Mr. Hart then discussed the difference in the cost of city services from FY2000 to FY2019. He then noted that the City of Grand Prairie portion of the average residential tax payment in Dallas County is only 23%, so even if the City of Grand Prairie doesn't raise taxes, a resident's tax bill could still increase due to the other taxes.

Mr. Hart presented a slide showing total cost of municipal services using the average Grand Prairie home value in comparison to surrounding Dallas-Fort Worth cities. He stated that the City is about average in the cost of municipal services for residents when comparing Grand Prairie to other DFW cities.

Mr. Hart presented a slide showing the 14-year change in property tax rate for the City and surrounding cities. He stated that the property tax rate has not changed for Grand Prairie, but he understands that property tax payments have increased due to rising property values. He stated that most cities have increased their rates over that period of time, and he is proud Grand Prairie has not.

Mr. Hart then presented information showing General Fund expenditures per capita. He stated this information can show how efficiently a city government is being run. Overall, the City does an efficient job. Presenting a slide on City employees per capita, Mr. Hart stated the City is serving 134 people per 1 full-time employee. He stated that this shows the City to be efficient while also being effective.

Mr. Hart then presented a chart showing certified police officers and firefighters per 1,000 population compared to other cities. He stated the Police Chief Steve Dye's goal was to get to 1.5 police officers per 1,000 residents, and they have achieved that goal. Fire is at 1.2 per 1,000 residents. There was brief discussion about the unique configuration and needs of the City of Grand Prairie.

Mr. Hart stated that overall, the City is in good shape. He stated he doesn't wish to live in a city that is just Police and Fire, that we should strive to be a holistic city also known for quality of life, and that he believes we have found a balance.

Item #3: General Fund

Deputy City Manager Anna Doll presented this item on the agenda. Ms. Doll stated that 49% of the General Fund revenues come from property taxes at approximately \$66 million, with sales tax taking up 23% at approximately \$31 million. Franchise fees account for 11%, licenses and permits for 2%, charges for services for 4%, fines and forfeits for 5%, and other revenues for 6%.

Ms. Doll stated that the current portion of the property tax rate that goes toward the General Fund is \$0.471196 and that it will be reduced in Fiscal Year (FY) 2019 to \$0.473696. The reduction will be moved to the debt service – keeping the total property tax rate the same. The General Fund will receive approximately \$67 million from property taxes, while Debt Service will receive approximately \$30 million.

Ms. Doll stated that in the current year, the sales tax projection for the General Fund is approximately \$31 million. For FY 2019, a 2% growth rate is built in, resulting in approximately \$31 million budgeted in FY 2019 for sales tax collections in the General Fund.

Ms. Doll stated that future challenges include the increasing cost in business expenses (i.e. vendor prices going up and escalating insurance coverage for City owned property), a large land area to serve, and old infrastructure. A 3% compensation plan for every full-time employee is included in the FY 2019 budget. Ms. Doll discussed the plan to go from a 25-year TMRS retirement plan to a 20-year TMRS retirement plan. Other General Fund results included Police and Fire STEP, an adjustment to Police Officer and Firefighter Pay Plan, fully funding FY18 partial-year positions, and fully funded FY19 positions.

Ms. Doll stated that personnel services account for the large majority of General Fund expenditures – 77% of the General Fund at approximately \$104 million.

Item #4: Employee Insurance Fund/TMRS

Deputy City Manager Anna Doll presented this item on the agenda. She presented a chart showing a 10-year trend of employee medical claims, stating the projection for FY18 is lower than the two previous years, but that the trend has steadily increased over that time period.

Council Member Swafford spoke about upcoming changes within the medical and insurance community, including possible direct relationships between the City and local hospitals to negotiate set rates.

Ms. Doll reviewed a slide detailing the current Enrollment Breakdown between the EPO and HDHP plans. She stated enrollment in the HDHP is higher than originally anticipated at 26% for active employees and 29% for under-65 retiree.

Ms. Doll is recommending no changes for 2019 since FY18 held major changes to plans, city contributions, benefit levels and premiums. She recommended letting the dust settle from these recent changes so the situation can be evaluated, and that this fund is doing very well this year. The plan for FY19 is to rebuild contingency reserves to \$3M from \$500K, in order to be ready for potentially volatile years down the road.

Ms. Doll then reviewed the plan to go from a 25-year TMRS retirement plan to a 20-year TMRS retirement plan. The current FY18 TMRS rate is 16.30%, and the TMRS rate as of 1/1/19 will be 17.05%. One of the major contributing factors to changing to a 20-year retirement program is to be competitive with local cities for recruitment efforts – 10 of our 11 survey cities have a 20-year retirement program. The total implementation impact will be \$918,549 between FY19 and FY20.

Item #5: Police/Crime Tax Update

Police Chief Steve Dye presented the Police portion of the presentation. Chief Dye stated he expects the City to remain in the top 11 safest cities for its population. He stated that since 2010, the City has seen a 35% crime decrease. The implementation of the Police Department's case processing office has been important, taking the administrative task burden off the detectives, and making the department more efficient, leading to historically high clearance rates.

Chief Dye discussed numerous community policing programs and events to continue building a strong relationship with the community. He also stated the Police department is looking into implementing a new facial recognition system through NEC. He also discussed new surveillance cameras being installed throughout the city, and how the department is trying to implement technology to increase efficiency.

Chief Dye then reviewed the success of the Real Time Crime Center and the Mental Health Coordinator position approved last year. He also discussed a new Teacher's PET (Preparedness and Emergency Training) program. He discussed the success of streamlining the DWI process through electronic arraignment.

Chief Dye stated there are nine requested positions, for a total of 285 Officers, in the FY 2019 budget to maintain the City at 1.5 police officers per 1,000 residents. He stated that the City is an attractive place for police officers to come to due to the City's support of the Police Department. He stated that one of the most positive pieces of feedback he receives is about the Police take-home vehicle program. He stated there are currently 80 take-home vehicles. He stated there are two planned Police Academy Classes scheduled for 2019.

Chief Dye then presented information regarding diversity within the Police Department. Chief Dye stated that the Police Department is trying to become more visible in different communities, but the department does not want to have two standards of hiring. He also stated the college degree requirement has helped with diversity.

Chief Dye stated 27.16 out of 1,000 residents of Grand Prairie were offended by some type of crime in 2017 – there were 2,821 fewer victims of crime in 2017 vs. 2010, a 35% decrease. Council Member Clemson asked about crimes that do not fall under the classifications presented, and Chief Dye spoke about cybercrime and identity theft. Council Member Wooldridge asked about the Police department's use of drones, and Chief Dye answered that the department currently has four drones and that the department is operating them following all FAA regulations.

Chief Dye then spoke about Crime Tax. He explained that even though there are a number of positions currently funded through the Crime Tax, those positions could be absorbed into the Police operational fund in a worst case scenario if the Crime Tax was not approved. Council Member Swafford asked about two items currently funded in the Crime Tax fund – detention center infrastructure and a mounted-unit facility. Chief Dye explained both items and stated the Crime Tax is a great benefit because it allowed them to keep the \$2M out of the CIP.

Chief Dye spoke briefly about the Red Light fund, stating it currently has a healthy balance of about \$2M, and that he is currently working with Transportation to put that money to good use. He stated that he is thankful for the support of the City Council.

Item #6: Water/Wastewater Fund

Ms. Doll presented this item on the agenda. She showed a chart showing performance metrics for the year, stating that Revenue Management stays very busy throughout the year. Ms. Doll stated that much of Water Wastewater's expenditures come from water purchases, wastewater treatment, debt service, and capital improvements. The total Water Wastewater budget for FY 2018 is approximately \$76 million. Ms. Doll stated that regarding revenues in the fund, about 58% comes from water sales, 37% comes from wastewater, and about 5% come from other revenue streams.

Ms. Doll stated that most of the water supply comes from Dallas, about 87%. She stated that for wastewater, the pass-through cost will increase about 11% from TRA. She stated that due to water conservation efforts, per capita water usage continues its downward trend. This trend does put pressure on the rates since most of the utilities' costs are fixed. The City of Dallas and Fort Worth water purchase costs continue to increase, as well. Ms. Doll stated that the fixed base rate charges and variable rate charges are going to increase 4.5% for FY 2019.

Council Member Swafford asked Ms. Doll to discuss the ongoing disagreement with TRA about past billing. Ms. Doll explained the metering problem and how we believe the City of Grand Prairie is being billed at a disproportionate rate. Currently, the city is looking at going to arbitration to settle the dispute.

Ms. Doll stated that the automatic meter reader project has install over 50,000 of the automatic readers across the City. She stated over 700 customers signed up for H2Know in the first two weeks. Ms. Doll stated that there is approximately \$10M in Water capital projects and approximately \$6M in Wastewater capital projects in the FY 2019 budget. She stated that a gallon of water will cost \$0.99 at a local grocery store, but a gallon of water from the City costs less than a penny.

Item #7: Fire Overview

Fire Chief Robert Fite presented the Fire portion of the agenda. Chief Fite began the presentation by providing a map of the City of Grand Prairie with graphics depicting the current fire stations and the type of apparatus located at each. He explained a condition they refer to as “Level 0”, where the City of Grand Prairie fire department has no front-line ambulance available, which happens about four times per day. He stated this is mostly due to not having a hospital located within the City of Grand Prairie, so each passenger transport requires a trip outside of the City.

Chief Fite stated that the department is now on Year 6 of their 6-year plan and the current year’s theme is to ‘Implement’. He stated fleet and infrastructure are extremely important, and that skipping fire engine purchases in the past has caught up with the department, which is why there are currently multiple fire engine purchases in the works. Chief Fite explained that they are much more than just a fire department, and that they take an all hazards approach and respond to a variety of emergencies and activities. Recruiting is a main concern going into FY19.

Chief Fite discussed numerous current budget impacts, including EMS and regulations, cancer in the firefighting profession, upcoming generational change in staffing, aging fleet and infrastructure, and succession planning for senior staff as retirements approach.

Chief Fite discussed the Fire FY19 CIP. He spoke about the need to replace Truck 9 Aerial Platform, which accounts for \$1.4M of the CIP. There are also three ambulances also in the FY19 CIP to help reduce the number of times Level 0 is reached.

Chief Fite announced the bi-annual family picnic on 9/29/18. He then thanked the CMO and Council for their support.

Item #8: Storm Water Utility Fund

Deputy City Manager Bill Crolley presented this item on the agenda. Mr. Crolley stated the Storm Water utility fee is used to fund CIP, Rain/Stream Gauge System, and CRS activities. It is based on impervious area for both residential and commercial customers. Mr. Crolley stated they are asking for a 3% rate increase for FY19.

Mr. Crolley then explained the different commercial rates based on the size of property. He then showed city comparison slides with cities from the surrounding areas to compare commercial rates.

For residential customers, Mr. Crolley stated they are broken up into different tiers: Tier 1, Tier 2, Tier 3, Mobile Home, and Multi-Family. There are 5,957 Tier 1 accounts, 28,755 Tier 2 accounts, 10,040 Tier 3 accounts, 977 Mobile Home accounts, and 17,711 Multi-family units. Mr. Crolley presented charts showing the residential rates for Storm Water will remain below the average of surrounding city Storm Water rates.

Item #9: Solid Waste Fund

Solid Waste Manager Patricia Redfearn presented this item on the agenda. Ms. Redfearn stated that the Solid Waste Fund included a 3.56% rate increase from Republic Services for FY19 that would take the City Solid Waste Services from \$15.71 to \$15.96 per month. She stated this is a complete pass through for income and expenses.

The current program includes twice weekly garbage collection in bags, once a week recycling collection, on-demand bulky item collection, monthly brush collection, daily litter collection, street sweeping, household hazardous waste collection, illegal dumping cleanup, and cheap or free landfill access. Ms. Redfearn explained that the services are currently remaining the same, but they are currently negotiating a new contract with Republic Services.

Additional services include Keep Grand Prairie Beautiful, Auto-Related Business program, and alleyway maintenance. The Solid Waste Fund also includes a transfer to the Street Maintenance Sales Tax Fund, Solid Waste Equipment Acquisition Fund, Solid Waste Closure Fund, Solid Waste Landfill Replacement Fund, and Solid Waste Liner Replacement Fund.

When comparing the City to other cities in the Metroplex, Ms. Redfearn stated that the City's rates are well below average with a high-level of service. Commercial service includes the choice of a 2 cubic yard container, 4 cubic yard container, 6 cubic yard container, 8 cubic yard container, a roll-off, commercial bag, or "self-haul".

Chief Dye asked Ms. Redfearn to explain the negotiation over the new 10-year contract with Republic Services. She explained even though no services are currently changing, the new contract will include options for converting to cart service in the future.

Council Member Humphreys brought up a concern about commercial dumpster enclosures not being closed. Mr. Cox asked if there is currently a way to enforce those dumpsters to be secured. Ms. Redfearn and Chief Dye stated they are looking into what options the City of Grand Prairie has to remedy the situation. Council Member Copeland commended the Brush Crew program, and Chief Dye mentioned there are current discussions about adding another brush crew in FY20.

Item #10: CIP Projects

Various department heads presented this item on the agenda. Ms. Doll began the presentation. Ms. Doll presented the Summary of Cash showing the Capital Reserve Fund has approximately \$7.5M in unrestricted reserves. Sports Corporation has approximately \$10.8M in unrestricted cash. Restricted cash by fund totals \$18.3M.

Chief Dye presented the Municipal Airport CIP, to include taxiway extension, security upgrades, tower repairs, and parking lot improvements. The total Airport CIP for FY19 is requested to be \$1.4M. Chief Dye discussed the possibility of building T-hangars without grant money, but concluded it was not financially feasible. Chief Dye also discussed the need for larger hangars in the future. Chief Dye and Airport Manager Mark Divita discussed the increase in flight operations due to the new flight school, which is leading to an increase in fuel sales and ancillary revenues.

Information Technology Manager Keshnel Penny presented the IT CIP, which includes automated fire station alerting system, Tyler Technologies software upgrade, computer hardware replacement, fiber infrastructure, and cyber security. The total IT CIP for FY19 is requested to be \$1.4M. Mr. Crolley then discussed the Tyler Technologies upgrade, justifications, and timeline.

Parks and Recreation Manager Rick Herold presented the Lake Park CIP, which includes Loyd Administration Offices, Ceilo Retro World, and Glamping Themed Grounds. The total Lake Park CIP for FY19 is requested to be \$300K.

Mr. Herold also presented the Park CIP, which includes athletic field conversion, Clear Zone fencing/grading improvements, RJC interior refresh, pickleball at Waggoner Park, Summit expansion, Tangle Ridge bunker renovations, and Prairie Lakes equipment replacement. The total Park CIP for FY19 is requested to be \$2.7M.

Planning and Development Manager Steve Norwood presented the Municipal Facility CIP, which includes building infrastructure, roof replacement, HVAC replacement, generator replacement, service center construction, Prairie Paws Adoption Center construction, and fire panel upgrades. The total Municipal Facility CIP for FY19 is requested to be \$45.5M.

Ms. Doll presented the Library CIP, which is only one project for an educational outdoor garden at the Main Library. The total Library CIP for FY19 is requested to be \$50K.

City Engineer Romin Khavari presented the Storm Water CIP, which includes Carrier Parkway improvements, Cottonwood Creek stream stability, rain/stream gauge system expansion, flood forecasting tool, and GPISD bus barn drainage improvements. The total Storm Water CIP for FY19 is requested to be \$5.5M.

Public Works Director Gabe Johnson presented the Streets CIP, which includes street assessment implementation, Ragland reconstruction, intersection improvements, Carrier Parkway improvements, and Stadium Drive extension. The total Streets CIP for FY19 is requested to be \$17.7M.

Ms. Redfearn presented the Solid Waste CIP, which includes landfill road drainage, concrete recycling, leachate capacity, and Trinity River at Landfill road design. The total Solid Waste CIP for FY19 is requested to be at \$940K.

Mr. Hart presented the Epic Central CIP, which is only one placeholder project for conference center/restaurants for \$7.1M. He explained the concept of the Epic Central CIP, which will be made up of revenue from rents, State money, City money, and will be used to maintain the 176 acre development.

The meeting concluded with Mayor Jensen and Mr. Hart thanking Budget staff and the Finance and Government Committee. Mayor Jensen adjourned the meeting at 3:21 p.m.

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