



AGENDA

**CITY COUNCIL WORK SESSION
City of Garland
Work Session Room, City Hall
200 North Fifth Street
Garland, Texas
May 19, 2014**

6:00 p.m.

DEFINITIONS:

Written Briefing: Items that generally do not require a presentation or discussion by the staff or Council. On these items the staff is seeking direction from the Council or providing information in a written format.

Verbal Briefing: These items do not require written background information or are an update on items previously discussed by the Council.

Regular Item: These items generally require discussion between the Council and staff, boards, commissions, or consultants. These items are often accompanied by a formal presentation followed by discussion.

**[Public comment will not be accepted during Work Session
unless Council determines otherwise.]**

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

(1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, TEX. GOV'T CODE.

(2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, TEX. GOV'T CODE.

(3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, TEX. GOV'T CODE.

(4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, TEX. GOV'T CODE.

(5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, TEX. GOV'T CODE.

(6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or

to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, TEX. GOV'T CODE.

(7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; TEX. GOV'T CODE; Sec. 552.133, TEX. GOV'T CODE]

1. Written Briefings:

a. Insurance Services Office Review

The Garland Fire Department is preparing for an Insurance Services Office (ISO) review and will be hiring a consultant to assist with the review. An ISO review is a lengthy, complex process, and having a consultant will provide critical expertise in order to achieve the best score possible.

b. Pace House – Proposal Review Team Recommendation

Council previously directed staff to issue a Request for Proposal (RFP) to parties interested in accepting ownership of the Pace House from the City of Garland. The RFP respondents were required to submit their proposals to the City along with their qualifications, proposed property location, and use by April 15, 2014. After reviewing the proposals, staff has determined that Louis and Kay Moore best meet the evaluation criteria. If Council concurs, staff will continue the process to transfer the Pace House ownership to Louis and Kay Moore.

c. 2013-14 Budget Amendment No. 2

Council is requested to consider amending the 2013-14 Adopted Budget in order to appropriate available funds for the following: 1) Projects approved in last year's Budget, but not completed by the fiscal year-end, 2) Mid-year adjustments to Public Safety Grants, and 3) Expenditures not anticipated in the 2013-14 Adopted Budget. If Council concurs, this item will be scheduled for formal consideration at the June 3, 2014 Regular Meeting.

d. Deny Atmos Rate Increase

As recommended by the Atmos Cities Steering Committee (ASCS), Council is requested to consider approving an ordinance denying an Atmos Energy Mid-Tex Division gas rate change. The City of Garland is a member of the ACSC, a coalition of over 164 cities served by Atmos Energy Mid-Tex. This item is scheduled for formal consideration at the May 20, 2014 Regular Meeting.

**e. 2014-15 Community Development Block Grant (CDBG)
Public Service Budget**

Staff has compiled a funding allocation for the 2014-15 CDBG Public Service budget based on direction provided by Council at the May 5, 2014 Work Session. This item has been scheduled in the event that additional review of the CDBG Public Service funding is necessary. This item is scheduled for formal consideration at the May 20, 2014 Regular Meeting.

Item	Key Person
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2. Verbal Briefings:

a. Briefing on Proposition 1

Rep. Pickett

State Representative Joe Pickett will brief Council on Proposition 1 and transportation funding.

b. DART Update

Williams/Willis

At the request of Council Members B. J. Williams and John Willis, DART staff will update Council on DART's paratransit services, activities, programs, and projects within Garland.

c. Richland College Garland Campus

Williams

At the request of Council Member B. J. Williams, Mr. Mehrdad Haroutunian, Chief Corporate and Workforce Development Officer at Richland College, will brief Council on programs and activities available at the Richland College Garland Campus.

d. Working with Millennials

Athas

At the request of Mayor Douglas Athas, Britton Cunningham with the North Texas Commission will provide a presentation on "Working with Millennials."

**e. Interviews for an Appointment to the North Texas Council
Municipal Water District Board of Directors**

The North Texas Municipal Water District (NTMWD) notified the City that Jack May's term of office as a NTMWD Board Member expires on May 31, 2014. Information was posted on the City's website for 14 days regarding the qualifications of the NTMWD Board Member in order to provide an opportunity for citizens to apply for the position. Letters of interest and resumes were received from Jack May, Larry Jarrett, and Nelson Prater. At the May 5, 2014 Work Session, Council indicated their desire to interview all candidates. Council is scheduled to formally appoint a representative to the NTMWD Board at the May 20, 2014 Regular Meeting.

**f. Resolution Updating and Reaffirming Transportation
DART's 2030 Transit System Plans Committee**

At the May 5, 2014 Work Session, the Transportation Committee made a recommendation that Council consider a resolution encapsulating previous City of Garland transit positions. Council is requested to review a proposed ordinance updating and reaffirming DART's 2030 Transit System Plans.

g. Transportation Committee Report Willis

Council Member John Willis, Chair of the Transportation Committee, will provide a committee report on the following items:

- *Updates from Dean International, Inc. on IH-30, IH-635 East, and SH-78 developments, DART, THSRTC, and TEX-21.*
 - *IH-635 East Sound Wall Project Status*
 - *IH-635 East Service Road Project Status*
 - *Garland Citizens Advocacy Group*
 - *DART Focus*
 - *Annual Legislative and Congressional Missions*
 - *Recommendation that Council adopt a resolution supporting the development of the IH-635 East Project (from US-75 to IH-30)*

- *Annual review of Transportation Committee activities in order to provide a report to the Mayor for Council (per Council Policy OPNS-23, Section 4).*
- *Proposition 1/HB 1 and joint committee meeting.*

h. Composition of Interim Transportation Committee **Transportation Committee**

The Transportation Committee is requesting that Council discuss the composition of the interim Transportation Committee.

i. Ordinance Amendment Relating to Smoke Shops **Development Services Committee**

At the May 5, 2014 Work Session, Council considered a recommendation from the Development Services Committee regarding an amendment to the ordinance relating to the creation of a zoning classification for smoke shops. Council is requested to review a proposed ordinance amending Sections 10 and 38 of Ordinance No. 4647.

3. Regular Items:

a. Environmental Waste Services Residential Rate Increase **Young**

A proposed residential rate increase was planned for FY 2014-15 when operating costs were anticipated to increase due primarily to equipment replacement and the expansion of the Single Stream Recycling Program. However, the ice storm that occurred in December 2013 resulted in significant operating costs which will cause the Environmental Waste Services Fund to drop below its 45-day fund balance requirement. Council is requested to consider a mid-year rate increase.

b. Second Quarter Financial Results for FY 2013-14 **Young**

Staff will present the second quarter budget to actual financial results for FY 2013-14.

c. Taxation of Leased Vehicles

LeMay/Goebel

At the request of Council Members Scott LeMay and Anita Goebel, information is provided on the taxation of leased vehicles. Vehicles leased for business or personal use are currently subject to taxation as Business Personal Property. Property tax is assessed to the lessor (the entity holding title to the vehicle) who, by contract, typically passes on the tax to the lessee (person using the vehicle). The City, at its option, can exempt vehicles leased for personal use.

4. Consider the Consent Agenda

Council

A member of the City Council may ask that an item on the consent agenda for the next regular meeting be pulled from the consent agenda and considered separate from the other consent agenda items. No substantive discussion of that item will take place at this time.

5. Announce Future Agenda Items

Council

A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.

6. Adjourn

Council



Meeting: Work Session

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Policy Report

INSURANCE SERVICES OFFICE REVIEW

ISSUE

The Garland Fire Department is preparing for an Insurance Services Office (ISO) review and will be hiring a consultant to assist with the review. An ISO review is a lengthy, complex process, and having a consultant will provide critical expertise in order to achieve the best score possible.

RECOMMENDATION

Informational purposes only.

COUNCIL GOAL

Consistent Delivery of Reliable City Services

BACKGROUND

To help establish appropriate fire insurance premiums for residential and commercial properties, insurance companies need reliable, up-to-date information about a municipality's fire protection services. ISO provides that information through the Public Protection Classification (PPC) program.

ISO collects information on a community's public fire protection and analyzes the data using their Fire Suppression Rating Schedule (FSRS). ISO then assigns a Public Protection Classification from 1 to 10. Class 1 represents the best public protection, and Class 10 indicates less than the minimum recognized protection. Garland Fire Dept. is currently graded as an ISO class 2.

By classifying a community's ability to extinguish or control a structural fire, ISO assists communities in evaluating their public fire protection infrastructure. The program provides an objective, countrywide standard that assists a fire department in planning and budgeting for facilities, equipment, and training. By securing lower fire insurance premiums for communities with better public fire protection, the PPC program provides incentives and rewards for a community that chooses to improve its fire defense infrastructure.

The Fire Suppression Rating Schedule is the standard ISO utilizes to review the firefighting capabilities of individual communities. This standard measures the major elements of a community's fire suppression infrastructure and develops a numerical grading called a Public Protection Classification (PPC).

ISO has extensive information on more than 45,000 fire-response jurisdictions.

CONSIDERATION

The Fire Department requests the City contract with Mike Pietsch for consulting services regarding the Insurance Service Office, Inc. (ISO). The City wishes to explore the feasibility of improving the grading for Garland from a Class 2 to a Class 1. Mr. Pietsch has extensive history in this field having worked a career as an employee of ISO prior to starting his own consulting service. He is regarded as an expert in the field and is recommended by the Texas Fire Chief's Association. Phase I of the consultant service is projected to cost \$20,000, and Phase II will cost \$24,000.

Submitted By:

Raymond Knight
Fire Chief

Date: May 2, 2014

Approved By:

William E. Dollar
City Manager

Date: May 2, 2014



Meeting: Work Session

Date: May 19, 2014

Policy Report

PACE HOUSE – PROPOSAL REVIEW TEAM RECOMMENDATION

ISSUE

City Council recommended the City issue a Request for Proposal (RFP) last February to parties interested in accepting ownership of the Pace House from the City of Garland. The RFP respondents were required to submit their proposals to the City together with their qualifications, proposed property location and use not later than April 15, 2014. City Staff met to review the submitted proposals and is prepared to recommend to City Council the name of the respondent who best meets the evaluation criteria for award of the Pace House ownership.

OPTIONS

- (A) Approve continuing the process to transfer Pace House ownership to Mr. and Mrs. Louis Moore.
- (B) Direct staff to reject all current offers and initiate a new Request for Proposal

RECOMMENDATION

Option A: City Staff recommends City Council approve continuing the process to transfer Pace House ownership to Mr. and Mrs. Louis Moore.

COUNCIL GOAL

Sustainable Quality Development and Redevelopment

BACKGROUND

On Tuesday, April 15, 2014, the RFP for the Pace House closed with a total of three (3) Respondents. The review team has evaluated the responses and ranks them as follows:

- 1) Louis and Kay Moore – proposes to relocate to a vacant lot at 317 S. 11th Street, Garland for use as a single family rental;
- 2) Lisa and Robert Nelson – proposes to relocate outside of Garland as a gathering place on their family farm in the near term and their residential home upon retirement;

3) Long Hoang Tran – proposes to relocate to an undetermined location in Garland as a single family home.

The ranking order was derived based upon the attached evaluation criteria; the respondents have been notified of their ranking.

On Tuesday, May 6, 2014, Mr. Moore, the highest ranking respondent, attended a Pre-Submittal Meeting with the Land Development team to discuss ordinance and permitting requirements associated with moving the house to its destination and situating it on the lot. As required by the City, he has since notified the City in writing of his intent to proceed with moving the house and converting it to single-family use.

With Council's approval, Mr. Moore has 6 months to move the Pace House to its final destination.

CONSIDERATION

The City is currently paying \$1200 per month to temporarily store the Pace House on the rails owned by Snow Moving Company of Ft. Worth, Texas. These monthly payments will continue until Pace House ownership is transferred to one of the RFP respondents.

ATTACHMENTS

- (1) Scoring Criteria
- (2) Maps of recommended site

Submitted By:

Becky King
Organizational Development

Date: May 12, 2014

Approved By:

William E. Dollar
City Manager

Date: May 13, 2014

DRAFT

Pace House RFP

Scoring Criteria & Weights

The suggested scoring criteria and weights originate from the Pace House RFP advertised on 2/27/2014 to the public

Criteria 1 - Complies with the RFP provisions (Weight – 15%)

“adherence to all terms, conditions, and required elements of the RFP submission in a thorough and clear manner”

1. Cover Letter should: **(up to 6 Points)**

- A. Identify the respondent/participants contact information
- B. Provide overview of timeline and plans to acquire, move, restore and place the structure into service
- C. Provide a map, property location, and drawing of intended location
- D. Provide a declaration of intended use
- E. Demonstrate knowledge and understanding of the work and resources required to acquire, relocate, and place structure into use

2. Personal References **(up to 2 Points)**

Provide three (3) references who can address respondent’s capability to undertake similar projects. References should include name, title, addresses, telephone numbers, fax numbers, and email addresses and a brief description of the relationship to the respondent with regard to their previous experience.

3. Financial Stability **(up to 3 Points)**

Provide financial qualifications to include disclosure of resources currently available, plans for obtaining additional finances with estimated borrowed amounts. Providing pre-qualification statements for financing is encouraged.

4. Experience **(up to 4 Points)**

Provide examples of historic renovation projects or initiatives participated in or completed by the respondent. The focus should be on the relevant issues, problems, obstacles the respondent overcame and opportunities that could be realized as a result of the respondent’s involvement. Note specifically previous roles performed by the respondent and accomplishments.

Criteria 2 - Land Location and proposed use (Weight – 30%)

Preference may also be given to respondents proposing to put the structure back in its original use as a single family residence. Considerations in scoring this element include but are not limited to: the current zoning of the new site and surrounding parcels, appropriateness of fit of the structure itself among surrounding structures at the new site, appropriateness of fit of the intended use of the structure at the new site, feasibility of the site to accommodate the structure given site-specific conditions and constraints, and adherence to the City of Garland's desire to maintain the community's heritage and historic structures.

1 Location (up to 15 points)

Inside Garland District (15 Points)

Inside Garland -Outside District (10 Points)

Outside of Garland (5 Points)

2. Use at Location (up to 15 points)

Excellent Use (15 Points)

Good Use (10 Points)

Use outside of Garland (5 Points)

Criteria 3 - Experience with similar projects (Weight – 30%)

(up to 30 Points)

Score is based upon respondent (and/or declared partners') references and experience with construction, renovation, real estate, or similar projects that demonstrate thorough understanding of the extent, process, and costs required to successfully execute the details of the proposal in a timely manner. A proposal that omits key elements or considerations of the processes required to complete the proposal's stated outcome may be deemed as evidence of lack of experience to successfully execute the terms of the proposal. Respondent preferably can demonstrate their participation in efforts to renovate or preserve historical facilities in Texas.

Criteria 4 - Availability of financial resources to complete the project (Weight – 25%)

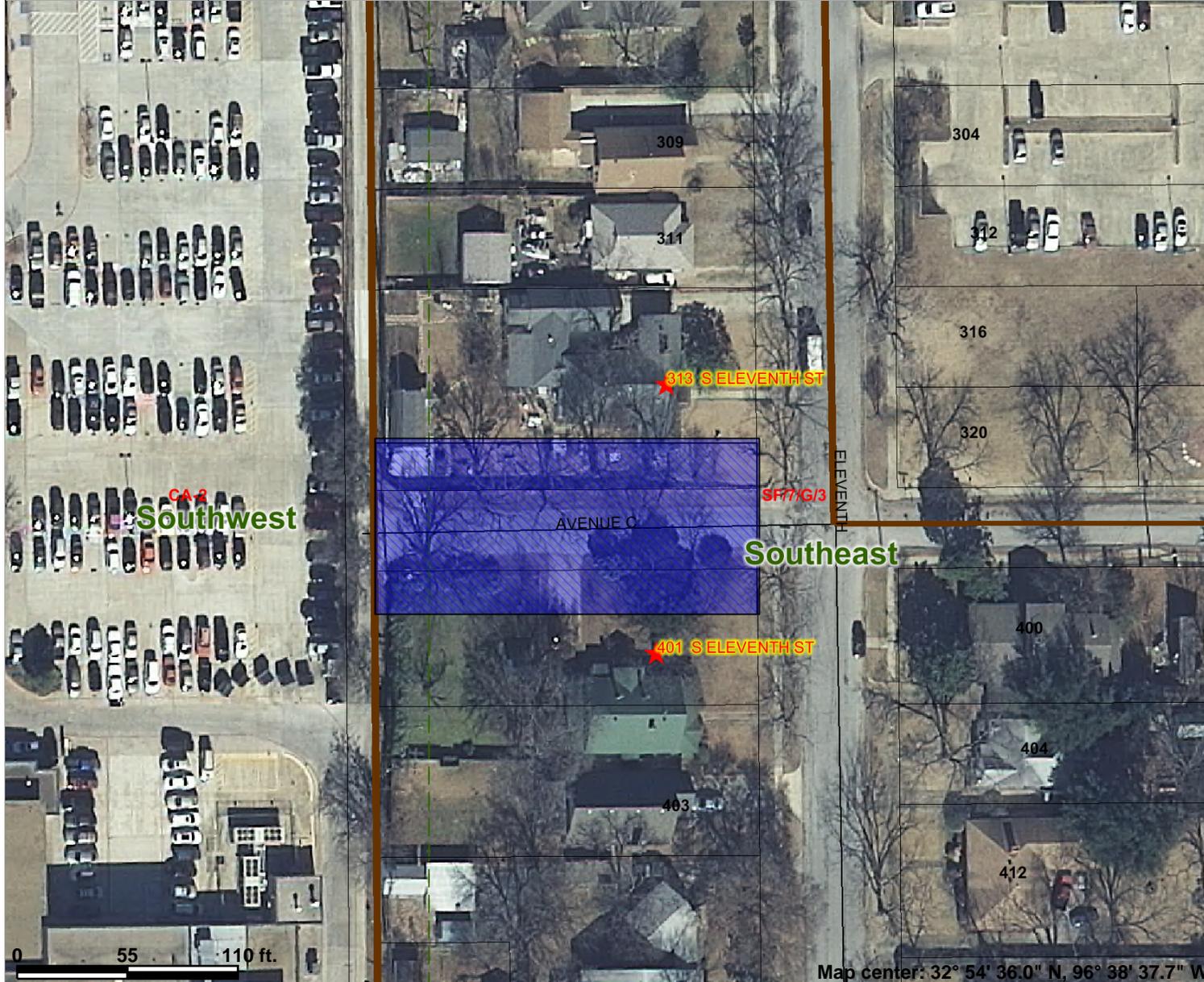
(up to 25 points)

Score is based on respondent’s demonstrated understanding of the extent, process, and ability to obtain financing to complete the project according to the proposal’s stated timeline.

RFP Scoring Table

	Criteria	Weight	Respondent’s Score
Initial Review			
1	Complies with the RFP provisions ¹	15%	
2	Land Location and proposed use ²	30%	
3	Experience with similar projects ³	30%	
4	Availability of financial resources to complete the project ⁴	25%	
		Score Total:	

Internet Mapping Framework



Legend

- Zoning Districts
- Streets
- Parcels (no shading)
- 2011 Aerial Grid
- Southeast
- Southwest
- Neighbor Areas Labels
- Neighbor Areas
- CITY
- LAKE

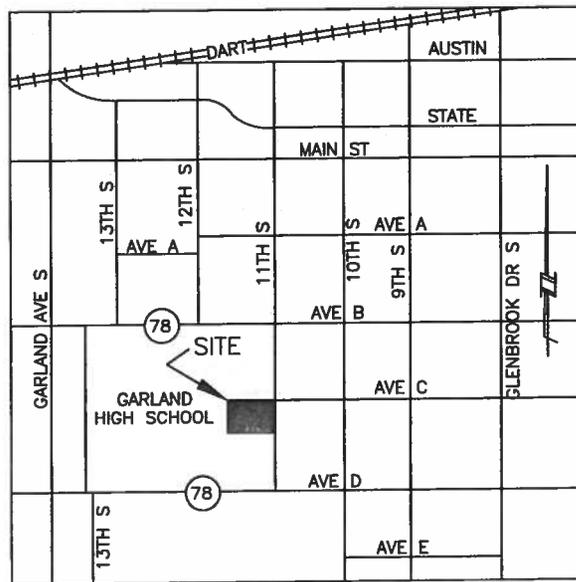


Scale: 1:920

Map center: 32° 54' 36.0" N, 96° 38' 37.7" W

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

VICINITY MAP
(NOT TO SCALE)





Policy Report

2013-14 BUDGET AMENDMENT NO. 2

ISSUE

Amend the 2013-14 Adopted Budget in order to appropriate available funds for the following:

- (1) Projects approved in last year's Budget but not completed by the fiscal year-end.
- (2) Mid-year adjustments to Public Safety Grants.
- (3) Expenditures not anticipated in the 2013-14 Adopted Budget.

The funds required for projects approved in last year's Budget are in the respective fund balances, and there is no financial impact from the approval of these items. Additional expenditures associated with the Public Safety Grants are fully funded by grant revenue, and expenditures not anticipated in the FY 2013-14 Adopted Budget will be funded from excess fund balances from the respective funds.

OPTIONS

- (A) Approve Budget Amendment No. 2 as proposed.
- (B) Approve portions of Budget Amendment No. 2.
- (C) Do not approve Budget Amendment No. 2.

RECOMMENDATION

Option (A) – Approve Budget Amendment No. 2 as proposed. Direct staff to prepare an ordinance amending the 2013-14 Adopted Budget for consideration and passage at the June 3, 2014, Regular Council meeting.

COUNCIL GOAL

“Financially Stable Government with Tax Base that Supports Community Needs”

Budget amendments allow the City to respond to changing situations and needs in a manner that permits flexibility while ensuring financial integrity and controls.

BACKGROUND

(1) Carry-Over of 2012-13 Incomplete Projects

a) Garland Wastewater Treatment Strategic Business Plan

The FY 2012-13 Adopted Budget for the Wastewater Utility Fund included funding for updating its Strategic Business Plan which provides an overall strategy for the upgrades and expansion of facilities to ensure adequate wastewater treatment capacity for Garland residents. However, the Wastewater Treatment Department was not able to secure a professional service contract during FY 2012-13. Budget Amendment No. 2 proposes to roll forward the budget of \$335,000 into the FY 2013-14 Budget to allow for the continuation of this project.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

b) Vehicle Replacement

In the FY 2012-13 Adopted Budget, certain pieces of equipment that were approved for replacement in the Equipment Replacement Fund were not placed on Purchase Orders due to various delays in developing specifications. This equipment is now ready to be ordered and will be replaced in the current fiscal year. The equipment breakdown, by department, includes the following:

- 1) GP&L – 1 mounted truck, 1 bucket truck, 1 pole setter, 1 one-ton truck, 5 smaller pickups, and 2 SUVs, totaling \$1,342,156
- 2) Water Department – 4 dump trucks, totaling \$415,253
- 3) Wastewater Collection and Treatment Departments – 3 vans and 3 pickups, totaling \$119,834
- 4) Parks Department – 3 pickups and a compactor, totaling \$90,493
- 5) Building Inspection – 3 sedans and 1 pickup, totaling \$70,067
- 6) Code Compliance – 3 pickups, totaling \$45,258
- 7) Facilities Management, Customer Service, Street and Animal Services – 6 pickups, 3 vans, and 1 sedan, totaling \$145,402

The total for these items is \$2,228,463. Budget Amendment No. 2 proposes to roll forward the budget of \$2,228,463 into the FY 2013-14 Budget to allow for the continuation of replacement of vehicles.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(2) Mid-Year Adjustments to Public Safety Grants

a) Office of Emergency Management – Federal Grant

During the FY 2013-14 budget preparation process, information needed by the Office of Emergency Management regarding the Dallas/Fort Worth/Arlington Urban Area Security Initiative Law Enforcement (DFWA UASI LE) Federal grant was unavailable. As a result, the FY 2013-14 Budget does not reflect this particular grant. The City of Garland has received notice that it has been awarded \$31,400 in DFWA UASI LE funding for the current year. Budget Amendment No. 2 proposes appropriating these Federal grant funds for FY 2013-14.

b) Office of Emergency Management – Federal Grant

During the FY 2013-14 budget preparation process, information needed by the Office of Emergency Management regarding the State Homeland Security Program Law Enforcement Terrorism Prevention Activity (SHSP LETPA) Federal grant was unavailable. As a result, the FY 2013-14 Budget does not reflect this particular grant. The City of Garland has received notice that it has been awarded \$9,500 in SHSP LETPA funding for the current year. Budget Amendment No. 2 proposes appropriating these Federal grant funds for FY 2013-14.

c) Police – State Training Grant

During the FY 2013-14 budget preparation process, the Police Department did not expect the State of Texas to fund the State Training Grant. However, the State has since reinstated that particular grant and awarded the City of Garland \$21,365 to fund continuing education for its Police Officers. Budget Amendment No. 2 proposes appropriating these State grant funds for FY 2013-14.

(3) Expenditures Not Anticipated in the 2013-14 Adopted Budget

a) Planning – Garland Development Code Mail Notifications

The Planning and Community Development Department will mail out approximately 61,500 postcard-type notices in August 2014 to all property owners in the city of Garland in order to inform them of upcoming public hearings regarding the proposed Garland Development Code (GDC). The cost to print and prepare the cards (including materials and labor to be provided by GISD) is estimated to be \$1,100. Postage is estimated to be \$17,500. Budget Amendment No. 2 proposes an increase of \$18,600 to Planning's operating budget in order to mail out the GDC notifications to Garland residents.

b) Academy Project – Reimbursement of Library Driveway Improvements

After the adoption of the FY 2013-14 Budget, the City of Garland entered into an Economic Development agreement with SLE–Garland, LP, to construct a driveway and provide drainage improvements at the future site of the North Garland Regional Library and the newly developed Academy Sports and Outdoors' retail space. Budget Amendment No. 2 proposes to transfer \$77,702 from the General Fund excess fund balance to the Infrastructure Repair & Replacement Fund to cover the cost of the paving portion of this agreement. Additionally, the Stormwater Management Fund budget will be increased by \$20,279 out of its own excess fund balance to cover the cost of drainage improvements.

c) Streets – Asphalt Distributor

The Street Department currently utilizes a 1991 asphalt distributor to apply prime or tack coats on a surface in preparation for paving. This piece of equipment is well past its useful life and has become unreliable. In order to ensure that asphalt surface treatment projects are not delayed, Budget Amendment No. 2 proposes to transfer \$166,023 from the General Fund excess fund balance to the Infrastructure Repair & Replacement Fund to provide funding to purchase a new asphalt distributor.

d) Environmental Waste Services - Disposal – Portable Litter Fencing

To comply with State regulatory requirements, the Environmental Waste Services - Disposal (Landfill) Department needs to procure services for the construction of Portable Litter Fences. These fences will enable the Landfill to contain wind-blown litter, preventing off-site migration. Budget Amendment No. 2 proposes an increase to EWS - Disposal's operating budget by \$10,000 so that they may purchase these necessary services.

e) Environmental Waste Services (Disposal and Service Delivery) – Ice Storm Debris Clean-up

In December 2013, the City of Garland experienced an ice storm that resulted in a significant amount of downed tree limbs and other bulky goods. In order to pick up and dispose of the debris, the Environmental Waste Services Departments incurred several expenditures that were not budgeted. Budget Amendment No. 2 proposes to increase the Environmental Waste Services - Disposal and Environmental Waste Services - Service Delivery operating budgets by the amounts shown below to cover the costs associated with this weather event.

EWS - Disposal (General Fund)

Overtime – \$5,151

Professional Services for Brush Grinding – \$85,016

Total EWS - Disposal – \$90,167

EWS - Service Delivery (EWS Fund)

Overtime – \$95,217

Temporary Labor – \$25,290

Other Outside Services for Brush Transporting – \$37,555

Total EWS - Service Delivery – \$158,062

f) Environmental Waste Services - Disposal – Emergency Repairs to Landfill Gas Collection and Control System

The Landfill Gas Collection and Control System extracts methane and other gas from within the Castle Landfill and conveys it to a combustion device for flaring. It was recently discovered that there is a header leak in the East Main Collection Line. Budget Amendment No. 2 proposes to increase the EWS - Disposal operating budget by \$100,000 to allow for the replacement of this header piping.

g) Police Vehicle Equipment Replacement

A majority of the existing mobile computers in Police vehicles are over four (4) years old, causing delays in the Officers retrieving data. To alleviate this issue, Panasonic mobile computers (aka Toughbooks) for approximately 133 Police vehicles will need to be replaced. In addition, the Toughbooks will need to be mounted on poles and docking stations, costing approximately \$977 per vehicle. The Toughbooks, poles, and docking stations will be charged to the Equipment Replacement Fund (ERF). Budget Amendment No. 2 proposes to increase the Police funding in the ERF by \$130,000 to purchase these items.

h) Increase in External Audit Fees

In the current fiscal year budget, the annual external audit performed by Deloitte & Touche LLP had been projected at \$270,000. The total cost of this year's audit will be approximately \$295,000 due to additional time and labor requirements. Budget Amendment No. 2 proposes an increase of \$25,000 to Finance's budget to cover the additional cost of the services provided.

i) Mosquito Trapping and Abatement

The Garland Health Department would like to modify its current mosquito trapping and abatement activities to more closely correlate with recommendations issued by the Centers for Disease Control (CDC). Instead of ad hoc trapping activities conducted in response to citizen complaints, Health would like to establish fixed trapping stations and corresponding spray grids that are expected to provide increased measures of consistency and yield better month-to-month and year-to-year comparison data. Budget Amendment No. 2 proposes to increase Health's operating budget by \$10,000 to cover the cost of the new trapping and abatement activities.

j) Group Health Insurance

The City purchases stop-loss protection to mitigate the risk and potential financial impact of catastrophic medical claims as part of its continuing efforts to manage health care costs. This protection goes into effect once claims for an individual employee reach \$225,000 (\$125,000 in the case of retirees) and then pays 100% of the claims that exceed that figure. Claims paid in FY 2012-13 exceeded projections for the year, and fewer paid claims exceeded the stop-loss threshold, resulting in less reimbursement. This trend has continued into FY 2013-14, with the result being a shortfall in anticipated stop-loss reimbursement. Budget Amendment No. 2 proposes an increase of \$995,000 to the FY 2013-14 operating budgets of those funds contributing to Group Health Insurance to offset the impact of reduced stop-loss reimbursements and keep the Group Health Insurance Fund whole.

A detailed breakdown of the contributions is provided in Attachment A.

k) Consulting Services for Fire

The Garland Fire Department has initiated a review of the City's current Public Protection Classification (PPC) as issued by the Insurance Services Office (ISO) and has secured the assistance of a consultant to navigate the complicated process. Budget Amendment No. 2 proposes an increase of \$44,000 to FY 2013-14 operating appropriations for the cost of the consulting and review services. If a higher PPC is achieved, it will result in lower property insurance premiums for Garland property owners.

l) Fleet Services Fund Balance

In FY 2012-13, the Fleet Services Fund ended with a negative fund balance of \$270,983. The department experienced substantial repairs to major pieces of equipment in Landfill. Additional work order revenue during the current fiscal year will reduce this deficit to approximately \$204,000. Budget Amendment No. 2 proposes to transfer \$204,000 from excess fund balance in the General Fund to the Fleet Services Fund to alleviate the current negative fund balance in the Fleet Services Fund.

FINANCIAL CONSIDERATIONS

The Wastewater Treatment project and the vehicle replacements for various departments were fully funded in the FY 2012-13 Budget, and the funds required to cover these expenditures remain within each fund's respective fund balance. As a result, there is no financial impact from approval of these items. The General Fund items, the Environmental Waste Services - Disposal and Service Delivery Departments' debris clean-up, the joint driveway project between the Street and Stormwater Management Departments, as well as the equipment purchase by the Street Department will be fully funded by excess fund balances from the respective funds. Increased expenditures within the Public Safety Grant Program are fully funded through Federal and State grant revenue.

Budget Amendment No. 2 proposes to appropriate funds as follows:

<u>General Fund</u>	
Financial Services – External Audit	\$ 25,000
Health – Mosquito Trapping and Abatement	10,000
Fire – Consulting Services	44,000
Planning – Garland Development Code Notices	18,600
EWS - Disposal – Portable Litter Fencing	10,000
EWS - Disposal – Ice Storm Debris Clean-Up	90,167
EWS - Disposal – Repairs to Control System	100,000
Transfer to Fleet Services Fund	204,000
General Fund Sub-Total	<u>\$ 501,767</u>
<u>Environmental Waste Services - Service Delivery</u>	
Ice Storm Debris Clean-Up	<u>\$ 158,062</u>
<u>Equipment Replacement Fund</u>	
Vehicle Replacement – Various Departments	\$2,228,463
Police Vehicle Toughbook Replacement	130,000
	<u>\$2,358,463</u>
<u>Infrastructure Repair & Replacement Fund</u>	
Driveway Construction	\$ 77,702
Asphalt Distributor	166,023
	<u>\$ 243,725</u>
<u>Stormwater Management Fund</u>	
Drainage Improvements	<u>\$ 20,279</u>
<u>Wastewater Utility Fund</u>	
Strategic Business Plan	<u>\$ 335,000</u>
<u>Public Safety Grants</u>	
Office of Emergency Management – Federal Grant	\$ 31,400
Office of Emergency Management – Federal Grant	9,500
Police – State Training Grant	21,365
	<u>\$ 62,265</u>
<u>Various Funds</u>	
Group Health Insurance Adjustments	<u>\$ 995,000</u>
TOTAL SUPPLEMENTAL APPROPRIATION	<u>\$4,674,561</u>

ATTACHMENT

Attachment A – Schedule of Budget Amendments No. 1 and No. 2

Submitted By:

Ron Young
Director
Budget & Research

Date: May 12, 2014

Approved By:

William E. Dollar
City Manager

Date: May 12, 2014



Meeting: Work Session

Date: May 19, 2014

Policy Report

DENY ATMOS RATE INCREASE

ISSUE

Council is requested to consider an ordinance denying Atmos Energy Mid-Tex Division ("Atmos Mid-Tex") requested rate change.

OPTIONS

1. Approve the ordinance
2. Allow Atmos Mid-Tex gas rate change.

RECOMMENDATION

Staff recommends Option No. 1 – Approve an ordinance to deny Atmos Mid-Tex gas rate change as recommended by the Atmos Cities Steering Committee ("ACSC"). This item is scheduled for formal consideration at the May 20, 2014 Regular Meeting.

COUNCIL GOAL

Defends Rightful Powers of Municipalities

BACKGROUND

The City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of over 164 cities served by Atmos Mid-Tex. ACSC has joined together to facilitate the review and response to natural gas issues affecting rates charged by Atmos Mid-Tex. On February 28, 2014, Atmos filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff renewed by the City in 2013 as a continuation and refinement of the previous RRM rate review process. This is the second annual RRM filing under the renewed RRM tariff.

The Atmos Mid-Tex RRM filing sought a \$45.7 million rate increase system-wide based on an alleged test-year cost of service revenue deficiency of \$49 million. Of the total amount requested, almost \$37 million is attributable to the affected cities. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. Although a good faith attempt was made by ACSC to reach a compromise with Atmos Mid-Tex, an agreement was not reached. In

the absence of an agreement, the ACSC Executive Committee and ACSC's legal counsel have recommended that ACSC members adopt the attached Ordinance denying the rate increase request.

The RRM tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program ("GRIP"), the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. In past years, cities have been able to reach a compromise with Atmos to reduce the rate impact from the requested RRM increases, and these compromises have also been lower than the rates that Atmos would have been entitled to under the GRIP filing. In this case, the Company would have been entitled to an increase from GRIP of no more than \$31.5 million. The magnitude of the requested increase under the 2014 RRM filing, and the wide differences between it and the ACSC consultants' recommendations made a compromise much more difficult and ultimately impossible. The Company demanded more than it would be entitled to if it had filed a GRIP case. For this reason, the ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt an Ordinance denying the requested rate change.

CONSIDERATION

Consultants working on behalf of ACSC Cities have investigated the Company's requested rate increase. While the evidence does not support the \$45.7 million increase requested by the Company, ACSC's consultants agree that the Company can justify an increase in revenues of a much lesser amount—namely, an increase of only \$19 million. The Executive Committee authorized a settlement value considerably above the consultants' recommendation but it was insufficient to meet the Company's expectation. The Company and ACSC Cities were too far apart in their positions to reach a compromise, and rather than granting a partial increase that the Company will not accept, the option remaining is to deny the rate increase request in its entirety, and participate in the Company's appeal of this decision at the Railroad Commission.

ATTACHMENT

Ordinance.

Submitted By:

David Schuler
Managing Director

Date: May 19, 2014

Approved By:

William E. Dollar
City Manager

Date: May 19, 2014

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS, DENYING THE RATE INCREASE REQUESTED BY ATMOS ENERGY CORP., MID-TEX DIVISION UNDER THE COMPANY'S 2014 ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES PERTAINING TO REVIEW OF THE RRM; AUTHORIZING THE CITY'S PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE IN ANY APPEAL FILED AT THE RAILROAD COMMISSION OF TEXAS BY THE COMPANY; REQUIRING THE COMPANY TO REIMBURSE THE CITIES' REASONABLE RATEMAKING EXPENSES IN ANY SUCH APPEAL TO THE RAILROAD COMMISSION; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Garland, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of approximately 164 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM tariff; and

WHEREAS, in 2013, ACSC and the Company negotiated a renewal of the RRM tariff process for an additional five years; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City for an additional five years; and

WHEREAS, the RRM renewal tariff contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about February 28, 2014, the Company filed with the City its second annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$45.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex's RRM filing through its Executive Committee, assisted by ACSC attorneys and consultants, to investigate issues identified by ACSC in the Company's RRM filing; and

WHEREAS, ACSC attorneys and consultants have concluded that the Company is unable to justify a rate increase of the magnitude requested in the RRM filing; and

WHEREAS, ACSC's consultants determined the Company is only entitled to a \$19 million increase, approximately 42% of the Company's request under the 2014 RRM filing; and

WHEREAS, the Company would only be entitled to approximately \$31 million if it had a GRIP case; and

WHEREAS, the Company's levels of operating and maintenance expense have dramatically risen without sufficient justification; and

WHEREAS, the Company has awarded its executives and upper management increasing and unreasonable levels of incentives and bonuses, expenses which should be borne by shareholders who received a 23% total return on investment in 2013; and

WHEREAS, the Company requested a drastically high level of medical expense that is unreasonable and speculatively based upon estimates; and

WHEREAS, ACSC and the Company were unable to reach a compromise on the amount of additional revenues that the Company should recover under the 2014 RRM filing; and

WHEREAS, the ACSC Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities deny the requested rate increase; and

WHEREAS, the Company's current rates are determined to be just, reasonable, and in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That the findings set forth in this Ordinance are hereby in all things approved.

Section 2

That the City Council finds that Atmos Mid-Tex was unable to justify the appropriateness or the need for the increased revenues requested in the 2014 RRM filing, and that existing rates for natural gas service provided by Atmos Mid-Tex are just and reasonable.

Section 3

That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's RRM application.

Section 4

That in the event the Company files an appeal of this denial of rate increase to the Railroad Commission of Texas, the City is hereby authorized to intervene in such appeal, and shall participate in such appeal in conjunction with the ACSC membership. Further, in such event Atmos Mid-Tex shall reimburse the reasonable expenses of the ACSC Cities in participating in the appeal of this and other ACSC City rate actions resulting from the 2014 RRM filing.

Section 5

That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6

That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 7

That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Manager of Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this _____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



Policy Report

Meeting: Work Session

Date: May 19, 2014

2014/15 CDBG PUBLIC SERVICE BUDGET

ISSUE

Allocation of funding for 2014 / 2015 CDBG Public Service budget.

RECOMMENDATION

Unless directed otherwise, staff has compiled a funding allocation based on the direction given at the May 5th Work Session and this allocation has been used in the resolution to be considered at the May 20th meeting.

BACKGROUND

This item was presented to Council at the May 5, 2014 Work Session, and was requested to be brought back at the May 19, 2014 Work Session in the event additional review of CDBG Public Service funding was necessary.

It was requested that members of Council submit individual allocation proposals for the Public Service funding to staff by Friday, May 9th. Staff was directed to take the average of all submitted proposals to formulate the final allocation for the Public Service funding. There were 3 recommendations submitted. An amount of \$581 was remaining after the average calculation was done and this amount was divided equally among the 17 recipients.

CONSIDERATION

1. The proposed budget for Fiscal Year 2014/2015 must be submitted to the Department of Housing and Urban Development (HUD) by August 15, 2014 for CDBG, HOME and ESG.
2. Budget adoption is scheduled for May 20, 2014 and a resolution has been placed on that agenda utilizing the method described above for CDBG Public Services and the staff recommendations presented at the May 5th Work Session for the other programs.

ATTACHMENT

CDBG Public Service Worksheet with Council Recommendations and Final Allocation

Submitted By:

Mona L. Woodard
Manager
Housing and Community Services

Date: May 12, 2014

Approved By:

William E. Dollar
City Manager

Date: May 12, 2014

CDBG PUBLIC SERVICES	2013/14	2014/15 Requested	Recommended - Dodson	Recommended - Cahill	Recommended - Willis	Average of all	Allocation of remaining funding	Final Allocation
Achievement Center of Texas	\$41,932	\$50,000	\$41,932	\$40,000	\$42,219	\$41,384	34.18	\$41,418
Axe Memorial United Methodist Church	\$1,702	\$8,000	\$1,702	\$0	\$1,714	\$1,139	34.18	\$1,173
Counseling Institute of Texas	\$9,705	\$25,000	\$9,705	\$12,500	\$9,771	\$10,659	34.18	\$10,693
Dental Health Program	\$38,688	\$80,000	\$38,688	\$37,000	\$38,953	\$38,214	34.18	\$38,248
Hope Clinic	\$25,792	\$40,000	\$25,792	\$28,000	\$26,113	\$26,635	34.18	\$26,669
Galaxy Counseling Center	\$15,356	\$21,000	\$15,356	\$15,000	\$15,461	\$15,272	34.18	\$15,307
Garland Family YMCA	\$7,950	\$8,500	\$7,950	\$7,500	\$8,004	\$7,818	34.18	\$7,852
Garland Police - Youth Boxing Program	\$22,641	\$26,000	\$22,641	\$21,635	\$22,796	\$22,357	34.18	\$22,392
Girl's Escape Club	\$1,064	\$0	\$0	\$0	\$0	\$0		
Mount Hebron Literacy Enhancement	\$7,711	\$10,000	\$7,711	\$7,200	\$7,764	\$7,558	34.18	\$7,593
Mount Hebron Summer Arts Program	\$0	\$20,000	\$2,250	\$0	\$2,000	\$1,417	34.18	\$1,451
Lawn Care Program (Code Compliance)	\$21,804	\$22,264	\$21,804	\$22,264	\$21,953	\$22,007	34.18	\$22,041
New Beginning Center	\$26,165	\$73,132	\$26,165	\$26,000	\$26,344	\$26,170	34.18	\$26,204
Parks S.T.A.R.S. Summer Program	\$27,388	\$80,000	\$27,388	\$26,200	\$27,576	\$27,055	34.18	\$27,089
Reinventing Human Capital	\$2,925	\$30,000	\$2,925	\$2,900	\$2,945	\$2,923	34.18	\$2,958
Salvation Army - After School Program	\$6,328	\$20,000	\$6,328	\$10,000	\$6,371	\$7,566	34.18	\$7,601
Salvation Army - Rent\ Mortgage Asst	\$6,328	\$50,000	\$6,328	\$10,000	\$6,371	\$7,566	34.18	\$7,601
Senior Citizens (Garland Ombudsman)	\$7,790	\$8,000	\$7,790	\$8,000	\$7,844	\$7,878	34.18	\$7,912
Urban League -Homeless Prevention	\$1,065	\$0	\$0	\$0	\$0	\$0		
Total	\$272,334	\$571,896	\$272,455	\$274,199	\$274,199	\$273,618	\$581	\$274,199
Available Funds	\$272,334	\$274,199	\$274,199	\$274,199	\$274,199	\$274,199		\$274,199
Difference to be reconciled		-\$297,697	\$1,744	\$0	\$0	\$581		\$0



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Briefing on Proposition 1

Summary of Request/Problem

State Representative Joe Pickett will brief Council on Proposition 1 and transportation funding.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

DART Update

Summary of Request/Problem

At the request of Council Members B. J. Williams and John Willis, DART staff will update Council on DART's paratransit services, activities, programs, and projects within Garland.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Richland College Garland Campus

Summary of Request/Problem

At the request of Council Member B. J. Williams, Mr. Mehrdad Haroutunian, Chief Corporate and Workforce Development Officer at Richland College, will brief Council on programs and activities available at the Richland College Garland Campus.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

**William E. Dollar
City Manager**



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Working with Millennials

Summary of Request/Problem

At the request of Mayor Douglas Athas, Britton Cunningham with the North Texas Commission will provide a presentation on "Working with Millennials."

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Interviews for an Appointment to the North Texas Municipal Water District Board

Summary of Request/Problem

The North Texas Municipal Water District (NTMWD) notified the City that Jack May's term of office as a NTMWD Board Member expires on May 31, 2014.

Information was posted on the City's website for 14 days regarding the qualifications of the NTMWD Board Member in order to provide an opportunity for citizens to apply for the position. Letters of interest and resumes were received from Jack May, Larry Jarrett, and Nelson Prater.

At the May 5, 2014 Work Session, Council indicated their desire to interview all candidates. Council is scheduled to formally appoint a representative to the NTMWD Board of Directors at the May 20, 2014 Regular Meeting.

Recommendation/Action Requested and Justification

Conduct interviews.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Resolution Updating and Reaffirming DART's 2030 Transit System Plans

Summary of Request/Problem

At the May 5, 2014 Work Session, the Transportation Committee made a recommendation that Council consider a resolution encapsulating previous City of Garland transit positions. Council is requested to review a draft ordinance updating and reaffirming DART's 2030 Transit System Plans.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

**William E. Dollar
City Manager**

RESOLUTION NO.

A RESOLUTION UPDATING AND REAFFIRMING THE DALLAS AREA RAPID TRANSIT'S 2030 TRANSIT SYSTEM PLANS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Garland voted to join as a member-owner of the Dallas Area Rapid Transit system on May 17, 1983;

WHEREAS, the City of Garland, working in conjunction with the Dallas Area Rapid Transit (DART) Board of Directors and Staff, endorsed the 2030 Transit System Plan on September 19, 2006, specifically including:

- HOV, bus, rail, paratransit and systemwide mobility elements
- HOV lanes in IH-30 and IH-635 corridors
- Enhanced and express bus service to the South Garland Transit Center
- Rail service across the northern tier of suburbs using the Cotton Belt Corridor
- DART integrate rail and bus service at transit oriented centers in downtown Garland and the Forest-Jupiter Station
- 2030 Transit System Vision Rail elements, and for DART to periodically review the system plan to determine when rail service would be warranted for (1) Downtown Garland to Firewheel Town Center and (2) LBJ Central to the blue line
- DART Board of Directors mitigate neighborhood concerns throughout the system

WHEREAS, the DART Board of Directors and staff have commenced formulating a financially constrained 2040 Transit System Plan, to be completed in FY 2016, that will evaluate and review deferred or underfunded projects included in the 2030 Transit System Plan;

WHEREAS, the City of Garland has approved, since their support and DART Board adoption of the 2030 Transit System Plan, other plans and documents, including *Envision Garland*, which outline the following priorities for the City in regards to Transit:

- Improve bus stops to promote ridership, neighborhoods, and safety
- Improve multi-modal connections linking facilities in adjacent cities
- Increase transit service to activity centers within Garland
- Partner with DART to plan and develop additional mass transit stations in Garland and service to north Garland
- Encourage TODs in the City of Garland, especially within the Forest-Jupiter catalyst area
- Encourage pedestrian and bicycle Connectivity
- Coordination of Future Planning Efforts
- Catalyst Area Transit Component Coordination
- Enhanced Contextualized Transit Centers

WHEREAS, the City of Garland seeks to meet the needs of its citizens, promote economic development and redevelopment, and *Grow Garland* through transportation infrastructure improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That: (1) the City of Garland reaffirms its previous positions in Resolution No. 9539 and will communicate, to DART Board of Directors and staff its positions in *Envision Garland* concerning the development of its transit system;

(2) the City of Garland's positions in *Envision Garland* be included in the 2040 Transit System Plan, especially the expansion of mass transit service and stations within the City, enhanced bus service and bus stations;

(3) the City of Garland will assist DART and regional stakeholders in advocating for the above improvements to the Transit System at the regional, state, and federal level

Section 2

That this Resolution shall be and become effective immediately upon and after its adoption and approval.

PASSED AND APPROVED this the ____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Transportation Committee Report

Summary of Request/Problem

Council Member John Willis, Chair of the Transportation Committee, will provide a committee report on the following items:

- Updates from Dean International, Inc. on IH-30, IH-635 East, and SH-78 developments, DART, THSRTC, and TEX-21.
 - IH-635 East Sound Wall Project Status
 - IH-635 East Service Road Project Status
 - Garland Citizens Advocacy Group
 - DART Focus
 - Annual Legislative and Congressional Missions
 - Recommendation that Council adopt a resolution supporting the development of the IH-635 East Project (from US-75 to IH-30)
- Annual Review of Transportation Committee activities in order to provide a report to the Mayor for Council (per Council Policy OPNS-23, Section 4).
- Proposition 1/HB 1 and joint committee meeting.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



Interstate 635 East Legislative Coalition

May 16, 2014

The Honorable Ted Houghton
Chairman
Texas Transportation Commission
125 East 11th Street
Austin, TX 78701

RE: The Development of Interstate Highway 635 East (US 75 to IH-30) in Dallas County

Dear Chairman Houghton:

The Commission and the TxDOT Dallas District has made the IH-635 East project a key priority for the DFW Metroplex and the State of Texas. We want to thank you for your effort and attention and ask that you continue the commitment to complete this important and essential project that is the missing link for IH-635 from IH-35E to IH-20.

The Interstate 635 East project in Dallas County, from United States Highway 75 to Interstate Highway 30, is one of the most critical projects in the Dallas-Fort Worth Region. Few other projects will have a greater impact on the mobility of citizens and the movement of goods. We believe that it is imperative that the Commission and TxDOT continue to make IH-635 East's redevelopment a key priority and that the project is done correctly. We expect the design features for the IH-635 East project to mirror those of the LBJ Express project (from IH-35 E to US 75).

We thank you for allocating funds to perform initial engineering work and the environmental reevaluation for the IH-635 East project. After receiving input from our constituents, we respectfully request that the Commission and TxDOT include the following improvement for the IH-635 East project:

- Continuous frontage roads from US 75 to IH-30
- Enhanced access with strategically placed entrance and exit ramps, including braided ramps, to increase the safety of the corridor, create new opportunities for economic development and redevelopment of the corridor, and mitigate congestion
- Consecutive (2+2) managed lanes from US 75 to IH-30 with well-placed access points
- Reconstruction and reconfiguration (including capacity enhancement) of the main lanes which are over a decade past their lifespan and in a state of deterioration
- Maintain a consistent elevation for the main lanes and managed lanes that is below grade

- Sound walls along the facility where residential neighborhoods are impacted by the noise pollution associated with the facility

Your attention to IH-635 East has been and will continue to be essential to forward the economic development of the corridor, mitigating congestion, bettering an unsafe and outdated facility, and encouraging the movement of goods in and out of the largest industrial area in Dallas County.

TxDOT has the capability to be the State's greatest economic development agency, and we ask that IH-635 East be a model project for the development and redevelopment of a corridor, encouraging the commerce of transportation through effective transportation improvements.

We would like to work with the Commission and the Department to evaluate various funding options for this project that will be the most prudent uses of the State's limited transportation funds. You have our commitment to do everything possible within the 84th Session to make this project a priority and forward its development.

The TxDOT Dallas District, under Bill Hale's leadership, has been very innovative in developing projects. Our constituents along this corridor need continuous frontage roads and sound walls immediately, and we are grateful for the sound walls currently in development from Centerville Road to La Prada Drive.

We request that the Commission make all possible strides to accelerate enhancements to the mobility and safety along this corridor, including any Commission action that would lessen the burden of the project on the local governments.

We respectfully request a comprehensive update concerning what is planned for this project and what will be necessary for the above improvements to be included.

Thank you once again for your dedication to this project and to the State of Texas.

Sincerely,



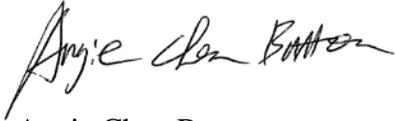
John Carona
State Senator, District 16



Bob Deuell
State Senator, District 2



Cindy Burkett
State Representative, District 113



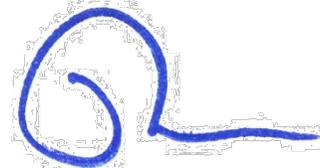
Angie Chen Button
State Representative, District 112



Stefani Carter
State Representative, District 102



Kenneth Sheets
State Representative, District 107



Jason Villalba
State Representative, District 114

CC: U.S. Congressman Pete Sessions
Chairman Robert Nichols
Chairman Larry Phillips
Commissioner Jeff Austin, III
Commissioner Jeff Moseley
Commissioner Fred Underwood
Commissioner Victor Vandergriff
LtGen. Joe Weber
Acting Deputy Secretary Victor Mendez
Judge Clay Jenkins
Mayor Douglas Athas
Mayor John Monaco
Mayor Mike Rawlings
Mr. Bill Hale
Mr. Michael Morris

RESOLUTION NO.

A RESOLUTION OF THE CITY OF GARLAND SUPPORTING THE DEVELOPMENT OF THE INTERSTATE HIGHWAY 635 EAST PROJECT (FROM US 75 TO IH-30); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dallas/Fort Worth Metroplex is growing at an astounding rate, increasing to over 9.8 million residents by the year 2035;

WHEREAS, the current transportation infrastructure in North Texas is insufficient to handle the growing demand placed on it by the increase in population and commerce;

WHEREAS, the Interstate Highway 635 East project, from United State Highway 75 to Interstate Highway 30, is essential to the future of the City of Garland bettering mobility, safety, and redevelopment opportunities, impacting the city, county and state of Texas;

WHEREAS, the LBJ Express project, from US 75 to IH-35 E, is currently under construction, adding capacity to increase mobility in the northern portion of Dallas County;

WHEREAS, the IH-635 East project will greatly impact the City of Garland through enhancing access and connectivity to one of the region's largest industrial areas;

WHEREAS, the City of Garland has organized a coalition of stakeholders including the cities of Dallas and Mesquite, Dallas County, and State Legislators and US Congress Members representing the IH-635 East corridor who are all supportive of the IH-635 East project, including:

- US Congressman Pete Sessions
- US Congressman Jeb Hensarling
- State Senator John Carona
- State Senator Bob Deuell
- State Representative Cindy Burkett
- State Representative Angie Chen Button

- State Representative Stefani Carter
- State Representative Kenneth Sheets
- State Representative Jason Villalba

WHEREAS, USDOT Secretary Anthony Foxx expressed his support for the IH-635 East project at his Bus Tour Press Conference on April 18, 2014;

WHEREAS, Congressman Pete Sessions has communicated his support of the IH-635 East project through a letter dated May 6, 2014;

WHEREAS, members of the IH-635 East Legislative Coalition have made their support for the IH-635 East project known through a letter dated May 16, 2014;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That the City of Garland is supportive of the efforts to have IH-635 East reconstructed to meet these preferences:

- Continuous Frontage Roads from US 75 to IH-30
- Enhanced Access (braided ramps) with Strategically Placed Entrance and Exit Ramps
- Aesthetic Enhancements to the Corridor
- Continuous Consecutive 2+2 Managed Lanes from US 75 to IH-30
- Reconstruction and reconfiguration of the main lanes (including dual-directional capacity enhancement) with the facility being below grade
- Sound Walls and Noise Abatement
- TIFIA Loan and Innovation in Financing
- Federal Control of Access Issues

- Authorize TxDOT to enter into a CDA in 84th Legislature

Section 2

That the City of Garland will continue to support the efforts of the project's stakeholders, including the United States Department of Transportation, the Texas Transportation Commission, the Texas Department of Transportation, and regional partners, to complete this project.

Section 3

That this Resolution shall be and become effective immediately upon and after its adoption and approval.

PASSED AND APPROVED this the ____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Composition of Interim Transportation Committee

Summary of Request/Problem

The Transportation Committee is requesting that Council discuss the composition of the interim Transportation Committee.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

**William E. Dollar
City Manager**



City Council Item Summary Sheet

Work Session

Date: May 19, 2014

Agenda Item

Ordinance Amendment Relating to Smoke Shops

Summary of Request/Problem

At the May 5, 2014 Work Session, Council considered a recommendation from the Development Services Committee regarding an amendment to the ordinance relating to the creation of a zoning classification for smoke shops. A proposed ordinance is included for Council's review.

Recommendation/Action Requested and Justification

Council and direction.

Submitted By:

Approved By:

**William E. Dollar
City Manager**

ORDINANCE NO.

AN ORDINANCE AMENDING SECTIONS 10 AND 38 OF ORDINANCE NO. 4647 RELATING TO THE CREATION OF A ZONING CLASSIFICATION FOR SMOKE SHOPS; PROVIDING A PENALTY CLAUSE, A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That the schedule of uses contained in Section 10-200 of Ordinance No. 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by adding, as a land use allowed under the division "Office and Retail" a land use for "Smoke Shop" and designating such use as allowed by specific use permit in the Industrial - I-1 zoning district.

Section 2

That Section 38, "Definitions" of Ordinance No. 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by adding the following definition:

"212-A. Smoke Shop - A commercial establishment to which the public is admitted or invited which, as its principal business purpose, offers for sale, distribution or exchange, for any form of consideration, electronic smoking devices, tobacco products, tobacco paraphernalia or any combination thereof, or devices, equipment, instruments, paraphernalia or products for use in the smoking or ingestion of any substance, including but not limited to, tobacco, salts, incense, marijuana, hashish, hashish oil, cocaine or other "controlled substance," as that term is defined in the Health and Safety Code of State of Texas."

Section 3

That a violation of any provision of this Ordinance shall be a misdemeanor punishable in accordance with Sec. 10.05 of the Code of Ordinances of the City of Garland, Texas.

Section 4

That Ordinance No. 4647, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

Section 5

That the terms and provisions of this Ordinance are severable and are governed by Sec. 10.06 of the Code of Ordinances of the City of Garland, Texas.

Section 6

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



Policy Report

ENVIRONMENTAL WASTE SERVICES RESIDENTIAL RATE INCREASE

ISSUE

A proposed residential rate increase was planned for FY 2014-15 when operating costs were anticipated to increase due primarily to equipment replacement and the expansion of the Single Stream Recycling Program. However, the ice storm that occurred in December resulted in significant operating costs which will cause the Environmental Waste Services (EWS) Fund to drop below its 45-day fund balance requirement. Council is being requested to consider a mid-year rate increase.

OPTIONS

- (1) Increase rates effective July 1, 2014:
Residential – an increase of \$1.60 a month for a total monthly rate of \$19.18
- (2) Delay rate increases until the beginning of the 2014-15 fiscal year – resulting in the need for a \$2.00 increase per month for a total monthly rate of \$19.58.

RECOMMENDATION

Place an item on the agenda for the June 10, 2014, Regular City Council Meeting, increasing residential rates \$1.60 per month, effective July 1, 2014.

COUNCIL GOAL

“Financially Stable Government with Tax Base that Supports Community Needs”

BACKGROUND AND CONSIDERATION

EWS Collection Operations

Staff is proposing a mid-year residential rate increase of \$1.60 per month for residential solid waste collection services, which includes collection of trash, bulky goods, and recyclables. The proposed increase would bring the monthly residential rate to \$19.18, with an effective date of July 1, 2014.

Environmental Waste Services Residential Rate Increase

Page 2

On December 5, 2013, The City of Garland experienced an ice storm that resulted in approximately 13,000 tons of damaged or downed tree limbs. In order to clean up and dispose of this debris, the EWS Department was forced to use a substantial amount of overtime, temporary labor, and outside services for hauling. Total cost related to the storm was estimated to be \$450,000 to the EWS Fund with over half of this related to disposal costs paid to the Hinton Landfill. As a result, the EWS Fund was projected to end the 2013-14 fiscal year approximately \$370,000 (or 11 days) below its 45-day fund balance requirement.

In order to reduce a portion of this deficit, staff has recalculated the landfill cost-of-service rate charged to the EWS Fund to take into account the extra tonnage produced by the ice storm. Under the cost-of-service rate, the higher the tonnage disposed, the less fixed cost each ton has to bear. By taking this into consideration, the landfill cost-of-service rate is reduced by \$2.10 to \$24.61 per ton. By charging this new rate retroactively, the EWS Fund will save approximately \$277,000 by year-end. While recalculating the cost-of-service rate drastically reduces this deficit, a net fund balance deficit of approximately \$90,000 (or 3 days) is still projected.

In addition to the fund deficit, a residential rate increase was already planned to be proposed for Fiscal Year 2014-15 primarily due to the replacement of 17 pieces of equipment and containers to continue the Single Stream Recycling Program approved in the 2014 Capital Improvement Program.

By implementing a rate increase on July 1, 2014, the erosion of the fund balance caused by the ice storm can be corrected. If a rate adjustment is not made until October 1, 2014, as part of the 2014-15 budget process, a higher rate will be required to bring EWS' fund balance reserves back into compliance with the 45-day requirement.

Residential Rate Options

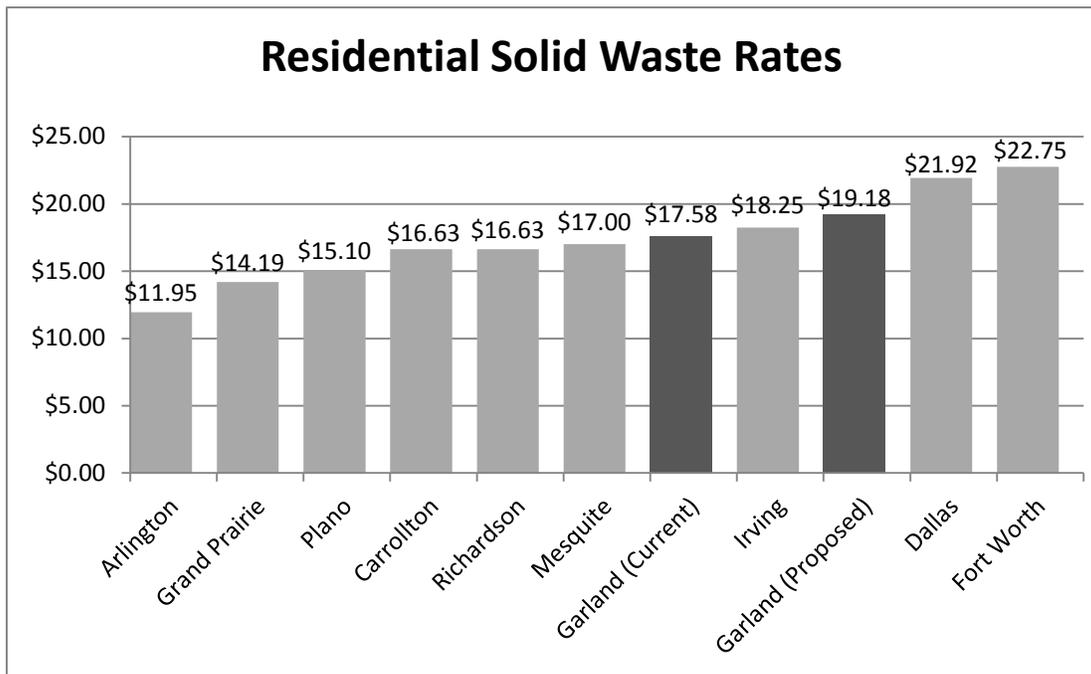
<u>Effective Dates</u>	<u>Required Rate</u>
July 1, 2014	\$1.60
October 1, 2014	<u>2.00</u>
Difference	\$0.40

Unless there is another unexpected event, no additional residential rate increases will be required on October 1, the beginning of the 2014-15 fiscal year. The proposed rates are calculated to cover current year cost increases and those anticipated for FY 2014-15, including additional funds needed to cover projects approved in the 2014 CIP. It should be noted that staff plans to propose commercial rate increases as well. However, staff requires additional time to study commercial rates and will bring recommendations forward during the FY 2014-15 budget process.

Environmental Waste Services Residential Rate Increase

Page 3

Included below is a graph comparing Garland's current and proposed residential solid waste rates with those of other Metroplex cities. In viewing the graph, it is important to keep a couple things in mind: first, the rates reflected for other cities are current rates and do not include increases that will likely be implemented with the beginning of the new fiscal year; and second, Garland's level of residential solid waste service is considerably higher than most other cities due to its weekly brush and bulky goods collection.



ATTACHMENT(S)

None

Submitted By:

Ron Young
Budget Director

Date: May 14, 2014

Approved By:

William E. Dollar
City Manager

Date: May 14, 2014



City Council Item Summary Sheet

Work Session

Date: 5/19/14

Agenda Item

Second Quarter Financial Results for FY 2013-14

Summary of Request/Problem

Staff will present to the City Council second quarter budget to actual financial results for FY 2013-14.

Recommendation/Action Requested and Justification

Information only.

Submitted By:
Ron Young
Director
Budget & Research

Approved By:
William E. Dollar
City Manager



GARLAND

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QUARTERLY BUDGET REPORT

Quarter Ended

March 31, 2014

**Prepared By
City of Garland
Budget and Research Department
972-205-2511**



GARLAND

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QUARTERLY BUDGET REPORT

Quarter Ended

March 31, 2014

Introduction

The Quarterly Budget Report issued by the Budget and Research Department is designed to provide a high level overview of financial results, issues, and trends in the City's major funds. The report is divided into the following sections:

- (I) Budget Overview
 - (a) General Fund
 - (b) Major Enterprise Funds
 - (1) Electric Utility Fund
 - (2) Water Utility Fund
 - (3) Wastewater Utility Fund
 - (4) Environmental Waste Services Fund
 - (c) Non-Major Funds
 - (d) Summary of Budget Performance

- (II) Major Indicators
 - (a) General Fund
 - (b) Electric Utility Fund
 - (c) Water Utility Fund
 - (d) Wastewater Utility Fund
 - (e) Environmental Waste Services Fund

- (III) Non-Major Indicator
 - (a) Combined Firewheel Golf Park

Budget Overview Quarter Ended 3-31-14

GENERAL FUND

At the close of the second quarter for FY 2013-14, the City's General Fund revenues totaled \$87.5 million, representing 63.4% of the adopted budget. Current Property Tax collections were \$389,000 (1.0%) and Sales Tax revenues \$499,000 (4.4%) above projected budget levels. Other categories reflecting positive trends included Landfill revenues which were \$691,000 (15.6%) and Municipal Court Fines which were \$199,000 (8.6%) above anticipated levels. In total, General Fund revenue was \$2.2 million (2.5%) higher than anticipated for the second quarter.

General Fund expenditures for the quarter totaled \$68.8 million, or 49.2%, of the annual budget. Personnel expenditures were \$332,000 (0.7%) and operations \$328,000 (1.7%) below projected levels. Total General Fund expenditures were \$660,000 (0.9%) lower than expected for the second quarter.

Overall, the General Fund performed better than anticipated for the second quarter with combined revenues and expenditures resulting in a \$2.9 million positive variance.

MAJOR ENTERPRISE FUNDS

ELECTRIC UTILITY FUND

Total revenue for the Electric Utility Fund for the first six months of FY 2013-14 was \$182.1 million, which is \$53.2 million (41.3%) above budget for the period due to increased consumption and Off-System Sales. Expenditures totaled \$202.9 million for the same period and were \$51.5 million (34.0%) over anticipated levels due to fuel/energy costs associated with Off-System Sales. In total, the quarter reflected a net positive budget variance of \$1.7 million (7.7%).

WATER UTILITY FUND

Total Water revenue for the first half of the year was \$22.9 million, approximately \$1.1 million (4.5%) lower than projected. Water consumption has dropped 341 million gallons (7.6%) due to Stage 3 drought measures. While the decline in water consumption during the second quarter was not as great as the first quarter, revenues will likely be below budget projections for the year.

Expenditures were \$30.2 million, which reflected a favorable variance of \$541,300 (1.8%) from anticipated levels, mostly due to savings in electrical pumping costs. The Water Utility Fund reflected a negative net budget variance of \$537,700 (8.0%). It should be noted that the Water Utility Fund has excess fund balance available to absorb the projected loss.

WASTEWATER UTILITY FUND

Revenue in the Wastewater Utility Fund totaled \$21.2 million through the second quarter, approximately \$312,100 (1.5%) higher than anticipated due to increased consumption levels within the industrial and customer cities accounts.

Expenditures totaled \$25.4 million and were \$143,700 (.6%) below projected budget levels. The quarter ended with a positive net budget variance of \$455,800 (9.8%).

ENVIRONMENTAL WASTE SERVICES FUND

The Environmental Waste Services Fund revenue was \$8.7 million and in line with anticipated budget levels for the first half of the year. However, expenditures through the second quarter totaled \$9.7 million, approximately \$299,000 (3.2%) higher than projected. The negative results are attributed to an increase in overtime, equipment rental, temporary labor, and disposal costs related to the approximately 13,000 tons of debris caused by the December ice storm. The EWS Fund had a negative budget variance of approximately \$257,200. The financial impact of this weather event is projected to cause the EWS Fund to go below the 45-day fund balance requirement. Staff will be bringing forward recommendations to address the fund balance issue plus a budget amendment for proposed budget increases needed to cover the cost of this storm.

NON-MAJOR FUNDS

Combined Firewheel Golf Park

Revenue for the combined Firewheel Golf Park operations was \$1.5 million, approximately \$28,000 (2.0%) above anticipated budget levels. Expenditures through the second quarter totaled \$1.7 million and were materially in line with budget projections. The quarter ended with a positive net budget variance of \$42,600. The year-to-date loss at Firewheel was \$200,300 compared to \$312,700 for the same period last year, an improvement of \$112,400 (36%).

Fleet Services Fund

Expenditures in the Fleet Services Fund through the second quarter totaled \$3.4 million and were \$529,300 (13%) below projected budget levels.

Group Health Insurance Fund

Expenditures in the Group Health Insurance Fund net of stop-loss reimbursements through the second quarter totaled \$13.2 million and were \$576,400 (4.2%) below projected budget levels.

Summary of Budget Performance

The City's budget performance for the second quarter of FY 2013-14 was very strong for the General Fund, Electric Utility Fund, and Wastewater Utility Fund. The Water Utility Fund and Environmental Waste Services (EWS) Fund, however, reflected negative trends in relation to budget projections due to weather conditions. The Water Utility Fund has sufficient fund balance reserves to cover a revenue shortfall in this fund. A mid-year EWS rate increase will be brought to the City Council for consideration to address a shortfall in the EWS Fund. Additional details for the City's major funds are attached.

The City's management and financial teams continue to closely monitor the City's finances for all funds as we navigate the fiscal year.

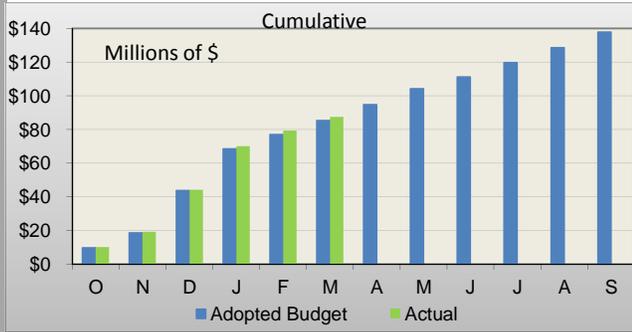
QUARTERLY BUDGET REPORT

Quarter Ended
March 31, 2014

City of Garland

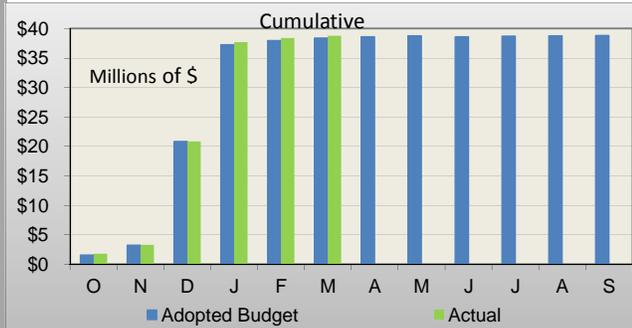
GENERAL FUND REVENUES

Total General Fund Revenues



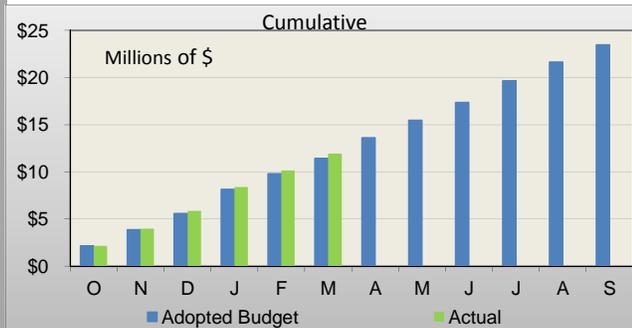
	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
OCT	\$ 9,832,212	\$ 10,240,726	\$ 408,514	4.2%
NOV	18,749,963	19,291,377	541,414	2.9%
DEC	43,819,088	44,272,402	453,314	1.0%
JAN	68,573,620	70,000,438	1,426,818	2.1%
FEB	77,070,429	79,329,458	2,259,029	2.9%
MAR	85,321,076	87,480,650	2,159,574	2.5%
APR	94,822,723			
MAY	104,236,470			
JUN	111,358,086			
JUL	119,704,276			
AUG	128,594,687			
SEP	137,968,651			

Current Property Tax



	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
OCT	\$ 1,570,782	\$ 1,796,670	\$ 225,888	14.4%
NOV	3,232,478	3,287,056	54,578	1.7%
DEC	20,839,899	20,874,313	34,414	0.2%
JAN	37,267,447	37,682,841	415,394	1.1%
FEB	37,991,102	38,386,634	395,532	1.0%
MAR	38,413,190	38,802,406	389,216	1.0%
APR	38,623,522			
MAY	38,773,870			
JUN	38,632,683			
JUL	38,733,763			
AUG	38,790,197			
SEP	38,827,179			

Sales Tax



	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
OCT	\$ 2,146,064	\$ 2,147,571	\$ 1,507	0.1%
NOV	3,864,958	3,981,045	116,087	3.0%
DEC	5,597,101	5,869,937	272,836	4.9%
JAN	8,156,849	8,391,923	235,074	2.9%
FEB	9,805,454	10,136,524	331,070	3.4%
MAR	11,429,895	11,929,176	499,281	4.4%
APR	13,610,342			
MAY	15,466,793			
JUN	17,367,400			
JUL	19,673,951			
AUG	21,668,935			
SEP	23,489,576			

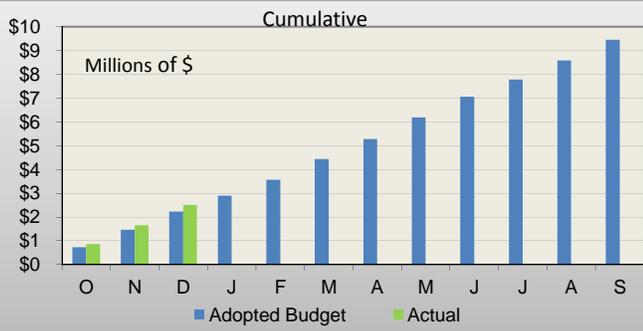
QUARTERLY BUDGET REPORT

Quarter Ended
March 31, 2014

City of Garland

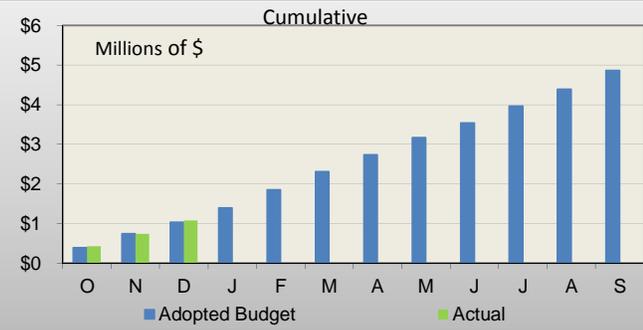
GENERAL FUND REVENUES - (Continued)

Total Landfill - Disposal Fees



	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
OCT	\$ 733,590	\$ 861,383	\$ 127,793	17.4%
NOV	1,461,517	1,656,581	195,064	13.3%
DEC	2,234,959	2,515,181	280,222	12.5%
JAN	2,901,779	3,634,859	733,080	25.3%
FEB	3,561,623	4,286,688	725,065	20.4%
MAR	4,440,589	5,131,470	690,881	15.6%
APR	5,280,326			
MAY	6,189,302			
JUN	7,057,869			
JUL	7,770,804			
AUG	8,579,053			
SEP	9,452,784			

Total Court Fines & Fees



	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
OCT	\$ 394,528	\$ 426,036	\$ 31,508	8.0%
NOV	754,353	745,586	(8,767)	-1.2%
DEC	1,041,904	1,082,303	40,399	3.9%
JAN	1,401,244	1,457,125	55,881	4.0%
FEB	1,858,565	1,974,787	116,222	6.3%
MAR	2,316,824	2,515,858	199,034	8.6%
APR	2,742,328			
MAY	3,177,396			
JUN	3,547,047			
JUL	3,969,178			
AUG	4,396,180			
SEP	4,866,643			

General Fund Revenues

	FY 2013-14 Adopted Budget	Anticipated Revenue	Actual YTD	Over/Under	Percent Change
Taxes	\$ 62,554,791	\$ 50,026,416	\$ 50,811,634	\$ 785,218	1.6%
Franchise Fees	7,640,217	1,628,476	1,726,654	98,178	6.0%
EWS - Disposal Fees	9,452,784	4,440,589	5,131,470	690,881	15.6%
Service Charges	9,429,365	4,738,962	4,881,439	142,477	3.0%
Earnings on Investments	241,298	105,139	98,020	(7,119)	-6.8%
Intergovernmental Grants	272,617	69,344	102,629	33,285	48.0%
Intragovernmental Charges	38,868,518	19,727,393	19,726,124	(1,269)	0.0%
Licenses & Permits	3,722,393	1,744,916	2,010,056	265,140	15.2%
Fines & Forfeitures	5,023,143	2,405,815	2,582,759	176,944	7.4%
Rents & Concessions	763,524	430,245	409,865	(20,380)	-4.7%
Total General Fund Revenues	\$ 137,968,650	\$ 85,317,295	\$ 87,480,650	\$ 2,163,355	2.5%

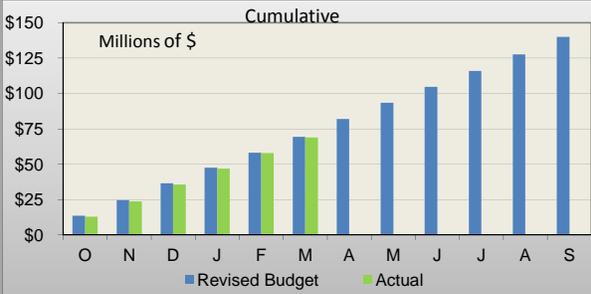
QUARTERLY BUDGET REPORT

Quarter Ended
March 31, 2014

City of Garland

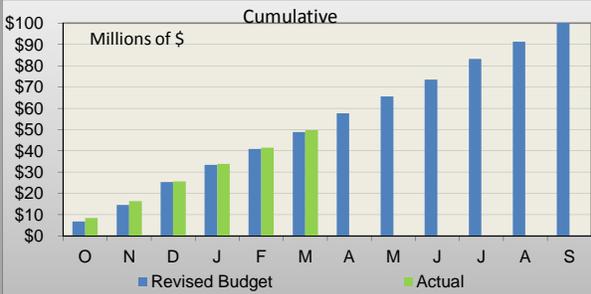
GENERAL FUND EXPENDITURES

Total General Fund Expenditures



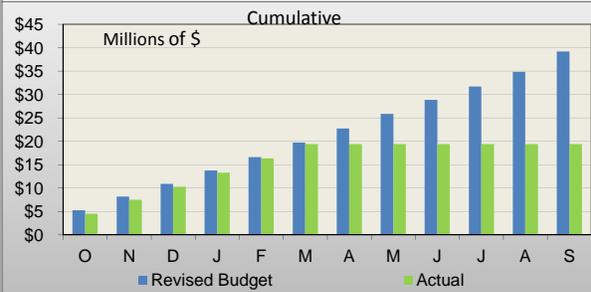
	Anticipated Expenditures	Actual YTD	Over/Under	Percent Change
OCT	\$ 13,622,390	\$ 12,922,087	\$ (700,303)	-5.1%
NOV	24,590,031	23,819,857	(770,173)	-3.1%
DEC	36,539,687	35,648,211	(891,476)	-2.4%
JAN	47,668,824	46,941,992	(726,833)	-1.5%
FEB	58,121,373	57,815,844	(305,529)	-0.5%
MAR	69,506,800	68,847,228	(659,572)	-0.9%
APR	82,111,670			
MAY	93,568,912			
JUN	104,753,512			
JUL	116,077,091			
AUG	127,621,939			
SEP	140,002,411			

General Fund - Personnel Expenditures



	Anticipated Expenditures	Actual YTD	Over/Under	Percent Change
OCT	\$ 8,368,561	\$ 8,401,980	\$ 33,420	0.4%
NOV	16,367,815	16,292,198	(75,617)	-0.5%
DEC	25,557,864	25,303,292	(254,573)	-1.0%
JAN	33,854,386	33,628,489	(225,898)	-0.7%
FEB	41,448,383	41,393,280	(55,103)	-0.1%
MAR	49,743,430	49,411,383	(332,047)	-0.7%
APR	59,280,436			
MAY	67,607,600			
JUN	75,781,701			
JUL	84,228,569			
AUG	92,641,133			
SEP	100,659,602			

General Fund - Operation Expenditures



	Anticipated Expenditures	Actual YTD	Over/Under	Percent Change
OCT	\$ 5,253,829	\$ 4,520,107	\$ (733,722)	-14.0%
NOV	8,179,124	7,484,568	(694,556)	-8.5%
DEC	10,938,732	10,301,828	(636,904)	-5.8%
JAN	13,771,347	13,270,412	(500,935)	-3.6%
FEB	16,629,899	16,379,473	(250,426)	-1.5%
MAR	19,720,278	19,392,754	(327,524)	-1.7%
APR	22,766,163			
MAY	25,889,070			
JUN	28,879,930			
JUL	31,746,773			
AUG	34,849,016			
SEP	39,200,255			

General Fund Expenditures

	FY 2013-14 Revised Budget	Anticipated Expenditures	Actual YTD	Over/Under	Percent Change
Personnel	\$ 100,659,600	\$ 49,743,430	\$ 49,411,383	\$ (332,047)	-0.7%
Operations	39,200,255	19,720,278	19,392,754	(327,524)	-1.7%
Capital	142,556	43,091	43,091	-	0.0%
Total General Fund Expenditures	\$ 140,002,411	\$ 69,506,800	\$ 68,847,228	\$ (659,572)	-0.9%

Revised Budget Includes Budget Amendment #1

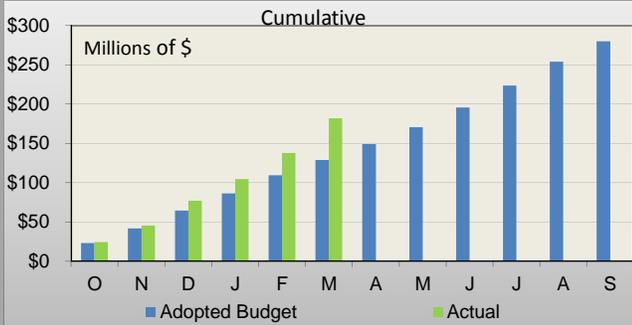
QUARTERLY BUDGET REPORT

Quarter Ended
March 31, 2014

City of Garland

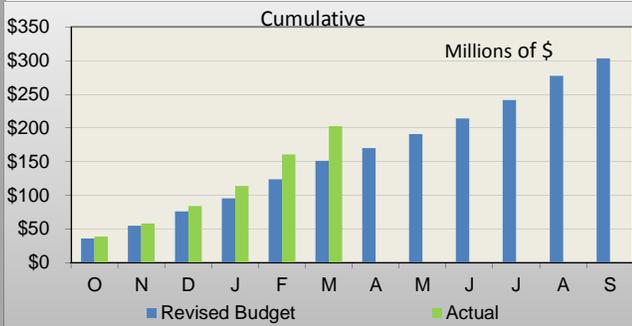
Electric Utility Fund

Total Electric Utility Fund Revenues



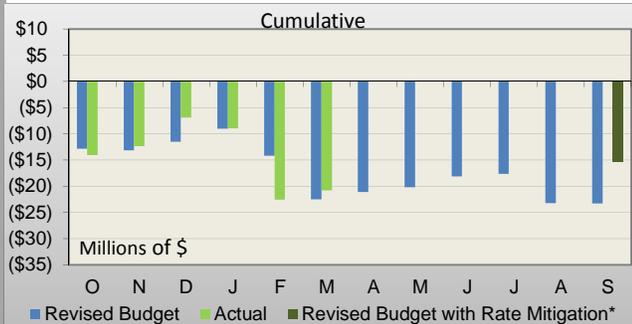
	Anticipated Revenue	Actual	Over/Under	Percent Change
OCT	\$ 23,368,198	\$ 24,776,705	\$ 1,408,507	6.0%
NOV	41,870,996	45,877,104	4,006,108	9.6%
DEC	64,728,975	77,299,836	12,570,861	19.4%
JAN	86,784,444	104,951,296	18,166,852	20.9%
FEB	109,725,310	138,099,623	28,374,313	25.9%
MAR	128,941,929	182,181,346	53,239,417	41.3%
APR	149,157,980			
MAY	171,012,030			
JUN	195,811,111			
JUL	224,054,104			
AUG	254,115,467			
SEP	280,278,501			

Total Electric Utility Fund Expenditures



	Anticipated Expenditures	Actual	Over/Under	Percent Change
OCT	\$ 36,221,908	\$ 38,814,700	\$ 2,592,792	7.2%
NOV	55,017,600	58,240,404	3,222,804	5.9%
DEC	76,230,560	84,173,339	7,942,779	10.4%
JAN	95,770,567	113,888,951	18,118,384	18.9%
FEB	123,873,371	160,676,421	36,803,050	29.7%
MAR	151,434,826	202,948,748	51,513,922	34.0%
APR	170,281,405			
MAY	191,179,426			
JUN	213,948,998			
JUL	241,673,151			
AUG	277,327,627			
SEP	303,536,167			

Net Revenue / Expenditures



	Anticipated Net Rev. / Exp.	Actual	Over/Under	Percent Change
OCT	\$ (12,853,710)	\$ (14,037,995)	\$ (1,184,285)	-9.2%
NOV	(25,707,420)	(28,074,000)	2,366,580	9.2%
DEC	(38,561,130)	(42,108,000)	3,546,870	9.2%
JAN	(51,414,840)	(56,142,000)	4,727,160	9.2%
FEB	(64,268,550)	(70,176,000)	5,907,450	9.2%
MAR	(77,122,260)	(84,210,000)	7,087,740	9.2%
APR	(90,000,000)			
MAY	(102,853,710)			
JUN	(115,707,420)			
JUL	(128,561,130)			
AUG	(141,414,840)			
SEP	(154,268,550)			

Notes

Anticipated Revenue in the top graph excludes the budgeted transfer of \$8,000,000 from the Rate Mitigation Fund to the Electric Utility Fund. The Revised Budget with Rate Mitigation* shown in the bottom graph assumes that the \$8,000,000 transfer will be made in September 2014. The fund balance in the Electric Utility Fund and transfers from the Rate Mitigation Fund are sufficient to absorb planned operating losses.

The Revised Budget includes Budget Amendment #1.

QUARTERLY BUDGET REPORT

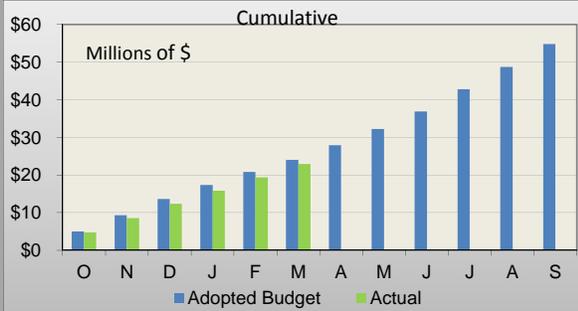
Quarter Ended

March 31, 2014

City of Garland

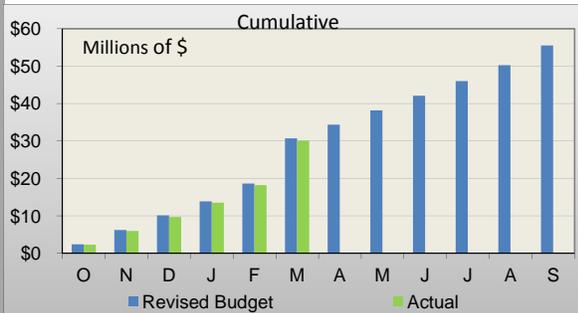
Water Utility Fund

Total Water Utility Fund Revenues



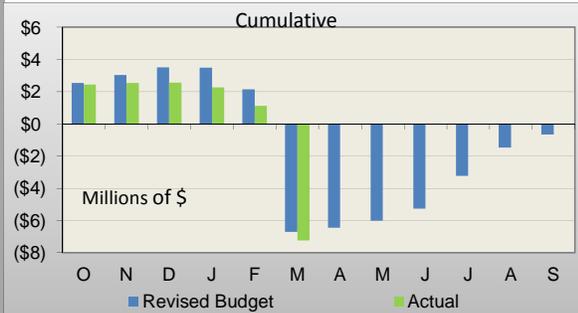
	Anticipated Revenue	Actual	Over/Under	Percent Change
OCT	\$ 4,983,621	\$ 4,737,850	\$ (245,771)	-4.9%
NOV	9,306,130	8,517,777	(788,353)	-8.5%
DEC	13,637,235	12,325,749	(1,311,486)	-9.6%
JAN	17,371,153	15,858,178	(1,512,975)	-8.7%
FEB	20,787,704	19,341,538	(1,446,166)	-7.0%
MAR	23,997,500	22,918,465	(1,079,035)	-4.5%
APR	27,922,618			
MAY	32,198,770			
JUN	36,859,696			
JUL	42,822,967			
AUG	48,754,826			
SEP	54,835,210			

Total Water Utility Fund Expenditures



	Anticipated Expenditures	Actual	Over/Under	Percent Change
OCT	\$ 2,443,048	\$ 2,305,693	\$ (137,355)	-5.6%
NOV	6,269,956	5,984,969	(284,987)	-4.5%
DEC	10,139,576	9,763,617	(375,959)	-3.7%
JAN	13,895,482	13,600,463	(295,019)	-2.1%
FEB	18,638,465	18,227,662	(410,803)	-2.2%
MAR	30,696,238	30,154,936	(541,302)	-1.8%
APR	34,373,263			
MAY	38,208,702			
JUN	42,113,602			
JUL	46,044,497			
AUG	50,226,655			
SEP	55,494,716			

Net Revenue / Expenditures



	Anticipated Net Rev. / Exp.	Actual	Over/Under	Percent Change
OCT	\$ 2,540,573	\$ 2,432,157	\$ (108,416)	-4.3%
NOV	3,036,174	2,532,808	(503,366)	-16.6%
DEC	3,497,660	2,562,132	(935,528)	-26.7%
JAN	3,475,672	2,257,715	(1,217,957)	-35.0%
FEB	2,149,239	1,113,876	(1,035,363)	-48.2%
MAR	(6,698,738)	(7,236,471)	(537,733)	-8.0%
APR	(6,450,646)			
MAY	(6,009,933)			
JUN	(5,253,906)			
JUL	(3,221,530)			
AUG	(1,471,829)			
SEP	(659,506)			

Notes

Projected revenues and excess fund balance are sufficient to eliminate the \$7.2 million deficit by year-end.

The Revised Budget includes Budget Amendment #1.

QUARTERLY BUDGET REPORT

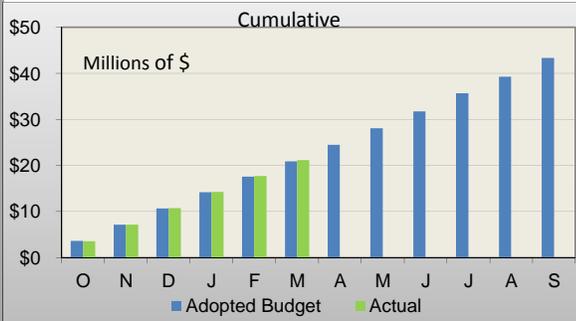
Quarter Ended

March 31, 2014

City of Garland

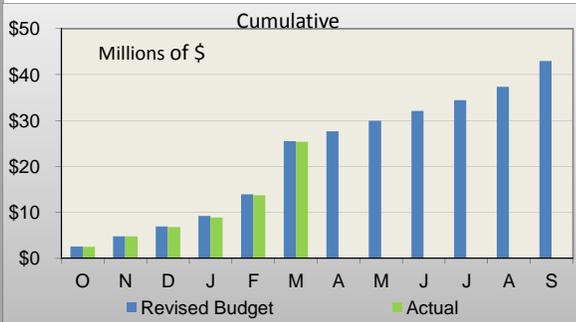
Wastewater Utility Fund

Total Wastewater Utility Fund Revenues



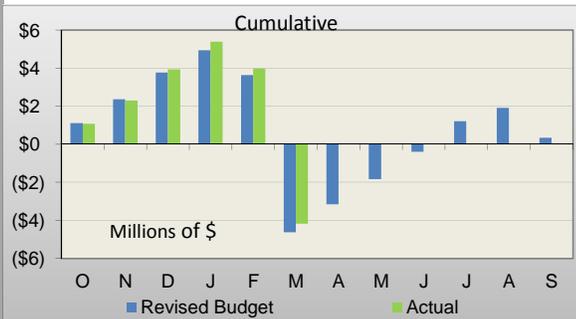
	Anticipated Revenue	Actual	Over/Under	Percent Change
OCT	\$ 3,659,681	\$ 3,562,054	\$ (97,627)	-2.7%
NOV	7,136,882	7,123,544	(13,338)	-0.2%
DEC	10,697,153	10,751,745	54,592	0.5%
JAN	14,181,521	14,276,171	94,650	0.7%
FEB	17,601,498	17,680,453	78,955	0.4%
MAR	20,873,344	21,185,435	312,091	1.5%
APR	24,489,167			
MAY	28,081,667			
JUN	31,732,798			
JUL	35,647,496			
AUG	39,251,420			
SEP	43,306,734			

Total Wastewater Utility Fund Expenditures



	Anticipated Expenditures	Actual	Over/Under	Percent Change
OCT	\$ 2,549,027	\$ 2,483,441	\$ (65,586)	-2.6%
NOV	4,766,365	4,823,742	57,377	1.2%
DEC	6,931,501	6,814,458	(117,043)	-1.7%
JAN	9,235,553	8,889,921	(345,632)	-3.7%
FEB	13,962,115	13,694,886	(267,229)	-1.9%
MAR	25,508,215	25,364,491	(143,724)	-0.6%
APR	27,650,901			
MAY	29,916,476			
JUN	32,125,259			
JUL	34,443,963			
AUG	37,337,981			
SEP	42,967,302			

Net Revenue / Expenditures



	Anticipated Net Rev. / Exp.	Actual	Over/Under	Percent Change
OCT	\$ 1,110,654	\$ 1,078,613	\$ (32,041)	-2.9%
NOV	2,370,517	2,299,802	(70,715)	-3.0%
DEC	3,765,652	3,937,287	171,635	4.6%
JAN	4,945,968	5,386,250	440,282	8.9%
FEB	3,639,383	3,985,567	346,184	9.5%
MAR	(4,634,871)	(4,179,056)	455,815	9.8%
APR	(3,161,735)			
MAY	(1,834,809)			
JUN	(392,461)			
JUL	1,203,533			
AUG	1,913,439			
SEP	339,432			

Notes

Projected revenues are sufficient to eliminate the \$4.2 million deficit by year-end.

Revised Budget includes Budget Amendment #1.

QUARTERLY BUDGET REPORT

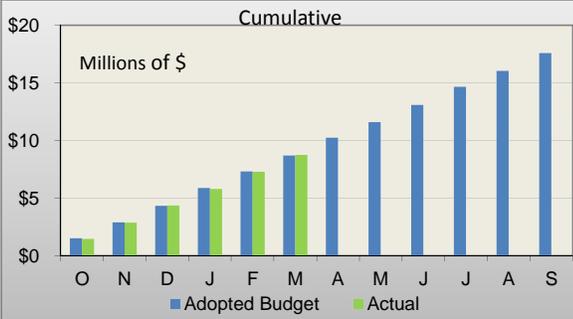
Quarter Ended

March 31, 2014

City of Garland

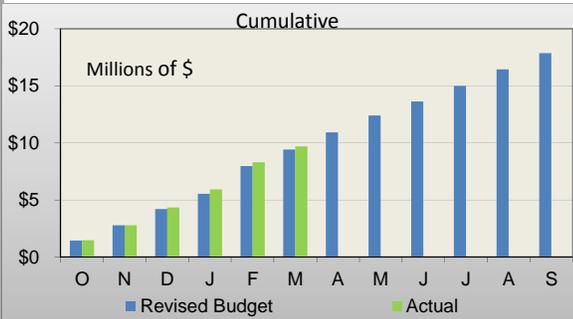
Environmental Waste Services Fund

Total Environmental Waste Services Revenues



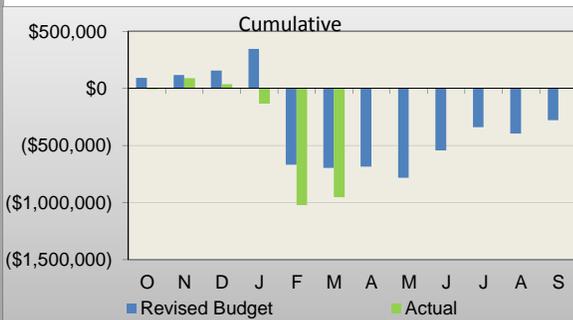
	Anticipated Revenue	Actual	Over/Under	Percent Change
OCT	\$ 1,519,388	\$ 1,457,691	\$ (61,697)	-4.1%
NOV	2,897,583	2,858,602	(38,981)	-1.3%
DEC	4,335,808	4,356,784	20,976	0.5%
JAN	5,876,485	5,800,187	(76,298)	-1.3%
FEB	7,299,740	7,269,648	(30,092)	-0.4%
MAR	8,698,999	8,741,101	42,102	0.5%
APR	10,231,945			
MAY	11,596,405			
JUN	13,067,648			
JUL	14,638,606			
AUG	16,030,831			
SEP	17,584,288			

Total Environmental Waste Services Expenditures



	Anticipated Expenditures	Actual	Over/Under	Percent Change
OCT	\$ 1,428,283	\$ 1,465,010	\$ 36,727	2.6%
NOV	2,780,307	2,769,895	(10,412)	-0.4%
DEC	4,179,154	4,321,038	141,884	3.4%
JAN	5,531,164	5,934,058	402,894	7.3%
FEB	7,968,749	8,293,366	324,617	4.1%
MAR	9,395,583	9,694,909	299,326	3.2%
APR	10,918,175			
MAY	12,381,031			
JUN	13,611,528			
JUL	14,977,233			
AUG	16,425,557			
SEP	17,863,991			

Net Revenue / Expenditures



	Anticipated Net Rev. / Exp.	Actual	Over/Under	Percent Change
OCT	\$ 91,105	\$ (7,319)	\$ (98,424)	-108.0%
NOV	117,276	88,707	(28,569)	-24.4%
DEC	156,654	35,746	(120,908)	-77.2%
JAN	345,321	(133,871)	(479,192)	-138.8%
FEB	(669,010)	(1,023,718)	(354,708)	-53.0%
MAR	(696,584)	(953,808)	(257,224)	-36.9%
APR	(686,231)			
MAY	(784,627)			
JUN	(543,880)			
JUL	(338,626)			
AUG	(394,726)			
SEP	(279,703)			

Notes

The financial impact of the December ice storm is projected to cause the EWS Fund to be \$90,000 or 3 days below the 45-day fund balance requirement at year-end.

Revised Budget includes Budget Amendment #1.

QUARTERLY BUDGET REPORT

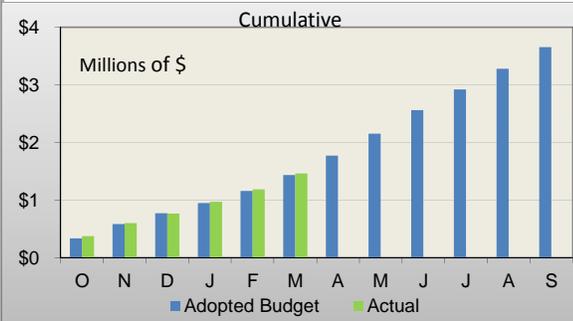
Quarter Ended

March 31, 2014

City of Garland

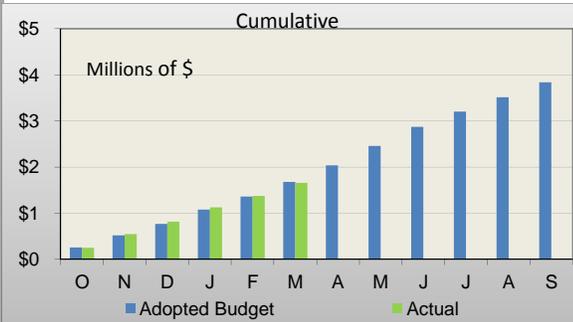
Combined Firewheel Golf Park

Total Firewheel Golf Park Revenues



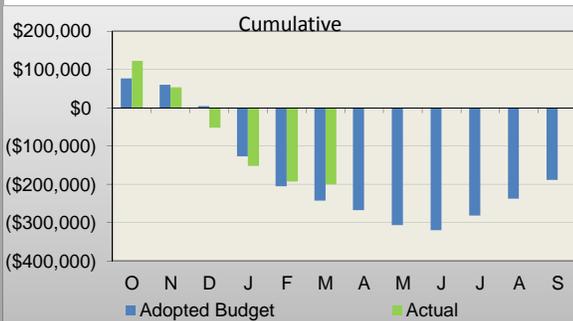
	Anticipated Revenue	Actual	Over/Under	Percent Change
OCT	\$ 335,524	\$ 374,506	\$ 38,982	11.6%
NOV	582,753	598,354	15,601	2.7%
DEC	771,685	762,880	(8,805)	-1.1%
JAN	948,392	972,417	24,025	2.5%
FEB	1,156,332	1,183,015	26,683	2.3%
MAR	1,433,529	1,461,593	28,064	2.0%
APR	1,772,882			
MAY	2,151,239			
JUN	2,557,403			
JUL	2,920,157			
AUG	3,276,964			
SEP	3,651,742			

Total Firewheel Golf Park Expenditures



	Anticipated Expenditures	Actual	Over/Under	Percent Change
OCT	\$ 259,397	\$ 251,968	\$ (7,429)	-2.9%
NOV	522,851	545,254	22,403	4.3%
DEC	767,856	814,749	46,893	6.1%
JAN	1,075,600	1,124,417	48,817	4.5%
FEB	1,361,334	1,375,428	14,094	1.0%
MAR	1,676,392	1,661,898	(14,494)	-0.9%
APR	2,040,358			
MAY	2,457,598			
JUN	2,876,765			
JUL	3,201,969			
AUG	3,514,179			
SEP	3,840,456			

Net Revenue / Expenditures



	Anticipated Net Rev. / Exp.	Actual	Over/Under	Percent Change
OCT	\$ 76,127	\$ 122,538	\$ 46,411	61.0%
NOV	59,902	53,100	(6,802)	-11.4%
DEC	3,829	(51,869)	(55,698)	
JAN	(127,207)	(152,000)	(24,793)	-19.5%
FEB	(205,002)	(192,413)	12,589	6.1%
MAR	(242,863)	(200,305)	42,558	17.5%
APR	(267,477)			
MAY	(306,359)			
JUN	(319,363)			
JUL	(281,812)			
AUG	(237,215)			
SEP	(188,714)			

Notes

The budget and actual information provided above is a combination of the City of Garland Firewheel Fund and the Garland Foundation for Development Corporation, which funds the restaurant operations. The year-to-date loss at Firewheel was \$200,305 compared to \$312,700 for the same period last year.



Policy Report

TAXATION OF LEASED VEHICLES

ISSUE

Vehicles leased for business or personal use are currently subject to taxation as Business Personal Property. Property tax is assessed to the lessor (the entity holding title to the vehicle) who, by contract, typically passes on the tax to the lessee (person using the vehicle). The City, at its option, can exempt vehicles leased for personal use.

OPTIONS

- (1) Retain current taxation of leased vehicles.
- (2) Direct staff to prepare an ordinance for Council consideration exempting leased vehicles from future taxation – prior to January 1, 2015.

RECOMMENDATION

Given the current financial challenges being faced by the City, staff recommends Option (1) – Retain current taxation of leased vehicles.

COUNCIL GOAL

Financially Stable Government with Tax Base that Supports Community Needs

BACKGROUND

Senate Bill 248, which was passed by the 2001 Legislature, allows cities the option of exempting leased vehicles, used exclusively for non-business purposes, from property tax. The legislation was drafted in such a way that the exemption automatically became effective January 2, 2002, unless the City passed an ordinance opting-out. The Garland City Council passed the required ordinance on December 18, 2001.

The City Council reviewed the issue again in April 2011 and declined to take action exempting leased vehicles used for non-business purposes.

TAXATION OF LEASED VEHICLES

Page 2

CONSIDERATION

Shown below is a listing of area cities and whether or not they exempt personal leased vehicles.

**Property Tax Treatment of
Leased Vehicles**

Treat as Taxable	Treat as Tax Exempt
Addison	Arlington
Carrollton	Dallas
Garland	Fort Worth
Mesquite	Grand Prairie
Richardson	Irving
	Plano

If an exemption were to be adopted for personal lease vehicles in Garland, the annual savings to each lessee would be approximately \$176 a year, assuming a \$25,000 vehicle. The estimated impact to the City would be a loss of \$35.8 million in tax base and \$252,000 in property tax revenue each year.

The Dallas Central Appraisal District (DCAD) indicates that the soonest the exemption could take effect would be next year for the 2015 assessments.

ATTACHMENT

None

Submitted By:

Bryan L. Bradford
Assistant City Manager

Date: May 12, 2014

Approved By:

William E. Dollar
City Manager

Date: May 12, 2014