



AGENDA

**CITY COUNCIL WORK SESSION
City of Garland
Duckworth Building, Goldie Locke Room
217 North Fifth Street
Garland, Texas
June 16, 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. 2014 Edward Byrne Memorial Justice Assistance Grant

Council is requested to authorize the Police Department to apply to the Bureau of Justice Assistance (BJA) for an estimated direct award of \$43,091 under the 2014 Edward Byrne Memorial Justice Assistance Grant (JAG) program for the purpose of reducing crime and improving public safety. The Attorney General has certified Garland as a disparate jurisdiction, requiring Garland to enter into an agreement to share 30% (or approximately \$12,927.30) with Dallas County. The estimated award to Garland will be approximately \$30,163.70, less a mandated 7% administration fee to be paid to the City of Dallas as the area grant manager for all involved entities, which results in an estimated net award of \$28,052.24. This item is scheduled for formal consideration at the June 17, 2014 Regular Meeting.

b. Distribution Drive Parking Restrictions

Council is requested to consider establishing no parking anytime for the north side of Distribution Drive 1,000 feet west of Sanden Drive. Semi-trucks and trailers parking on the street in front of 4009 Distribution Drive cause sight obstruction for vehicles exiting the business. If Council concurs, this item will be scheduled for formal consideration at the July 1, 2014 Regular Meeting.

c. Payday Loan Registration Fee

Council is requested to consider the establishment of a \$75 fee for processing certificates of registration as required by the payday loan ordinance that was approved by Council on March 18, 2014. If Council concurs, this item will be scheduled for formal consideration at the July 1, 2014 Regular Meeting.

Item	Key Person
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2. Verbal Briefings:

a. Interviews for Appointment to the DART Board of Directors **Council**

The terms of office for Mark Enoch and Michael Cheney as City of Garland representatives on the DART Board of Directors will expire on June 30, 2014. Information was posted on the City's website for 14 days in order to provide an opportunity for citizens to apply for the positions. At the close of the 14-day notice period, Mark Enoch, Michael Cheney, Tom Cooper, Jonathan Kelly, and Thomas Campbell responded. Council is scheduled to interview Mark Enoch and Thomas Campbell at this meeting. At the June 30, 2014 Work Session, Michael Cheney, Tom Cooper, and Jonathan Kelly are scheduled to be interviewed by Council. At the July 1, 2014 Regular Meeting, Council will formally appoint two individuals from among the candidates to serve on the DART Board of Directors for a two-year term from July 1, 2014 to June 30, 2016.

b. Citizens Ad Hoc Streets Improvement Committee Report **Bradford**

The Citizens Ad Hoc Streets Improvement Committee was created by Mayor Douglas Athas in March 2014. The mission of the Committee was to study the City's street repair maintenance program with the intent of maximizing street conditions while minimizing the financial impact to citizens and businesses. Each City Council member appointed a citizen to serve on the nine-member committee. The Committee has been meeting on a regular basis and will provide a report to Council on their recommendations in the areas of operations, funding, and street prioritization.

c. Transportation Update **Dean/Schaffner**

Dean International, the City's transportation consultant, will update Council on the following:

- IH-30
- IH-635 East
 - IH-635 Resolution

- IH-635 East Sound Wall Project Status
- IH-635 East Service Road Project Status
- SH-78
- THSRTC
- TEX-21
- RTC
- DRMC
- Legislative and Congressional Briefing

d. AT&T Utility Relocations Update

B. J. Williams/Dodson

At the request of Council Member B. J. Williams and Mayor Pro Tem Lori Barnett Dodson, an AT&T representative will provide an update on AT&T utility relocations as it impacts the Northwest Highway Reconstruction Project.

**e. Environmental Waste Services
Residential Rate Increase**

LeMay/Athas

At the request of Council Member Scott LeMay and Mayor Douglas Athas, Council is requested to reconsider a request to increase the Environmental Waste Services Residential Rate to be effective July 1, 2014. 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 previously considered this item at the May 19, 2014 Work Session and June 3, 2014 Regular Meeting. This item is scheduled for formal consideration at the June 17, 2014 Regular Meeting.

f. TMPA Board Appointment Process

Athas

The Texas Municipal Power Agency (TMPA) notified the City that James Ratliff's term as a member of the TMPA Board of Directors expires on July 18, 2014. The City will need to reappoint Mr. Ratliff or appoint a new member to serve for a two-year term of July 19, 2014 to July 18, 2016. At the request of Mayor Douglas Athas, Council is requested to discuss posting the position for a 14-day period and interviewing

interested candidates for consideration or reappointing Mr. Ratliff for another two-year term.

3. Discuss Appointments to Boards and Commissions Council

- *Simran Bains – Garland Youth Council (Dodson, District 6)*
- *Sarahi Salazar – Garland Youth Council (Dodson, District 6)*

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. Council will move into Executive Session Council

**EXECUTIVE SESSION
AGENDA**

- 1. Discussions, deliberations, voting on, and taking final action with regard to any competitive matter, that being a utility-related matter that is related to the City's competitive activity, including commercial information, and would, if disclosed, give advantage to competitors or prospective competitors including any matter that is reasonably related to the following categories of information:**

(A) 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;

(B) bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;

(C) effective fuel and purchased power agreements and fuel transportation arrangements and contracts;

(D) risk management information, contracts, and strategies, including fuel hedging and storage;

(E) 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

(F) customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies;

[Sec. 551.806; Sec. 552.133, Tex. Gov't Code]

- Recent EPA rule changes, anticipated or proposed changes affecting power generation; TMPA Gibbons Creek operations under those rules and the anticipated or proposed rules; the use of natural gas and coal in electric power generation; renewable energy options.

2. Consult with attorney(s) regarding 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]

- City of Garland vs. Peele, et al. and proposed collateral litigation
- CenterPoint Energy Houston Electric, LLC vs.ERCOT

7. Adjourn

Council



Meeting: Work Session

Date: June 16, 2014

Policy Report

2014 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)

ISSUE

The Director of the Bureau of Justice Assistance (BJA) has made funds available to units of local government under the 2014 Edward Byrne Memorial Justice Assistance Grant (JAG) program for the purpose of reducing crime and improving public safety.

The Garland Police Department is eligible to apply to BJA for an estimated direct award of \$43,091.00 under this grant program. However, the Attorney General of the State of Texas has “certified” Garland as a disparate jurisdiction, thereby requiring us to enter into an agreement to share a portion of these funds with Dallas County. Currently, the agreement is for the City of Garland to share 30%, or approximately \$12,927.30, with Dallas County, which results in an award to the City of Garland in the amount of approximately \$30,163.70. From this amount, there will be a mandated 7% Administration Fee which is to be paid to the City of Dallas as they have designated as the area grant manager for all involved entities. The resulting estimated net award to the City of Garland will be approximately \$28,052.24.

This Justice Assistance Grant replaced the Local Law Enforcement Block Grant (LLEBG). JAG does not require any matching funds or contributions.

OPTIONS

1. Authorize submission of the grant application, which if approved by the federal government will pay an estimated \$28,052.24
2. Disapprove submission of the grant application.

RECOMMENDATION

Staff recommends that Council approve submission of the application to the Bureau of Justice Assistance. This item is scheduled for formal consideration at the June 17, 2014 Regular Meeting.

COUNCIL GOAL

Safe, Family-Friendly Neighborhoods

BACKGROUND

This will be the seventh year that the Garland Police Department has applied for funds under the new JAG program. The Bureau of Justice Assistance (BJA) has replaced the Edward J. Byrne Memorial State (Byrne Formula) and the Local Law Enforcement Block Grant (LLEBG) with the Justice Assistance Grant. The joining of the two grants allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. The Garland Police Department received the following grant awards from JAG over the past five years:

- 2009 - \$51,369.76
- 2010 - \$51,111.96
- 2011 - \$42,553.92
- 2012 - \$31,050.75
- 2013 - \$26,872.63

CONSIDERATION

Pending negotiations with Dallas County, the Justice Assistance Grant should provide \$28,052.24 in funding. The grant will be for a 48-month period. At the conclusion of that time period, any unallocated funds must be returned to the federal government.

Funds must be used to supplement existing funds for program activities and cannot replace, or supplant, nonfederal funds that have been appropriated for the same purpose.

Purpose

JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support and information systems for criminal justice for any one or more of the following purpose areas:

- Law Enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment and enforcement programs
- Planning, evaluation, technology improvement programs
- Crime victim and witness programs (other than compensation)

2014 Edward Byrne Memorial Justice Assistance Grant (JAG)

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Submitted By:

Mitchel L. Bates
Chief of Police

Date: June 9, 2014

Approved By:

William E. Dollar
City Manager

Date: June 9, 2014



Meeting: Work Session

Date: June 16, 2014

Policy Report

DISTRIBUTION DRIVE PARKING RESTRICTIONS

ISSUE

Semi-trucks and trailers parking on the street in front of 4009 Distribution Drive cause sight obstruction for vehicles exiting the business.

OPTIONS

- A. Establish no parking anytime for the north side of Distribution Drive 1,000 feet west of Sanden Drive. (Attachment A)
- B. Establish different restrictions.
- C. Take no Action.

RECOMMENDATION

Staff recommends Option A. If Council concurs, this item will be scheduled for formal consideration at the July 01, 2014 regular meeting.

COUNCIL GOAL

Safe, Family-Friendly Neighborhoods

BACKGROUND

International Airport Center has requested parking be restricted in front of the business they own at 4009 Distribution Drive. The area is zoned industrial where semi-trucks and trailers parked on the street decrease visibility for vehicles exiting the business onto Distribution Drive. The proposed no parking anytime restriction will include the north side of Distribution Drive approximately 1,000 feet west of Sanden Drive.

ATTACHMENT

Attachment A: Parking Restrictions Map

Submitted By:

Paul Luedtke
Director of Transportation

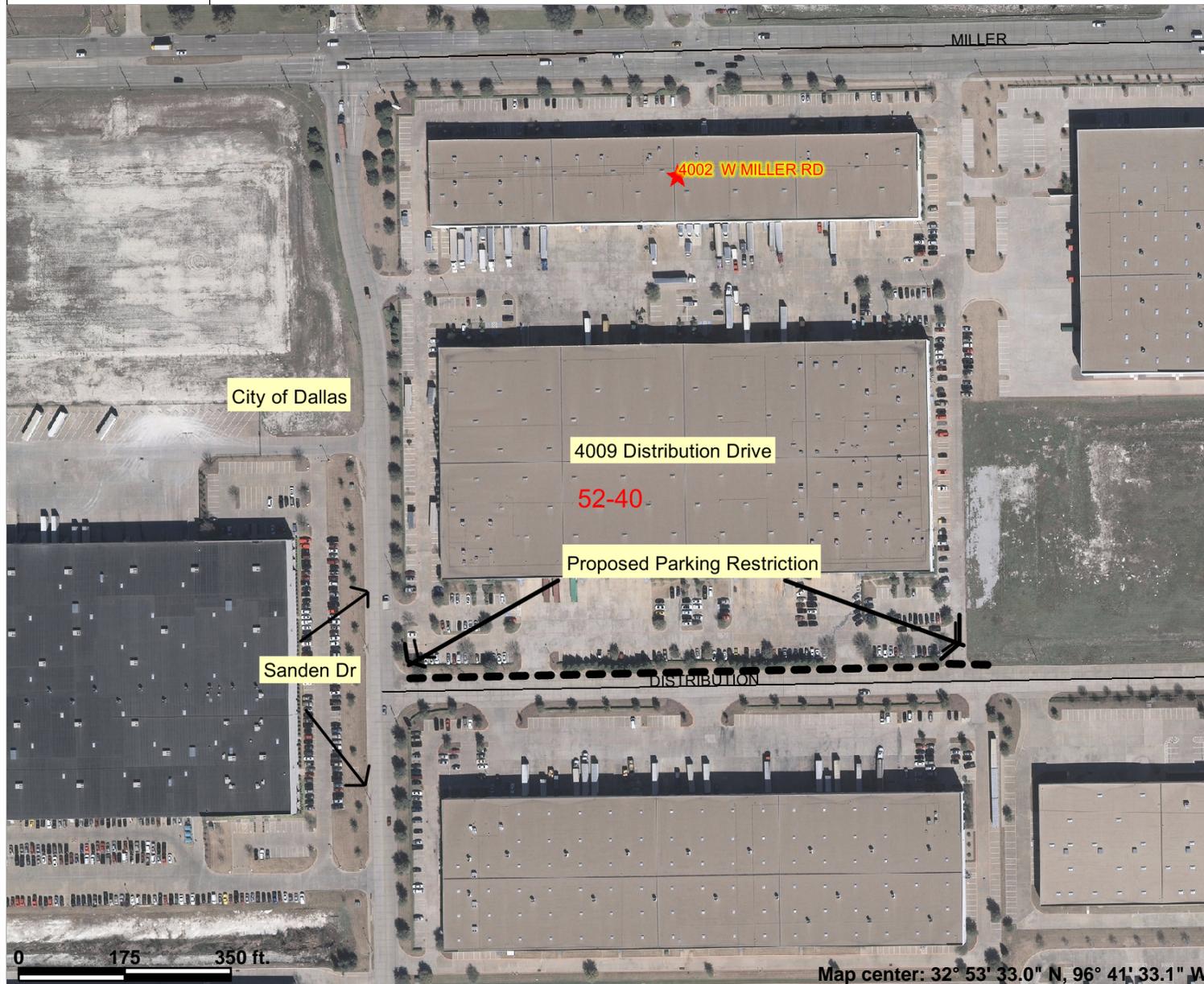
Date: June 9, 2014

Approved By:

William E. Dollar,
City Manager

Date: June 9, 2014

Distribution Proposed Parking Restriction



Legend



Scale: 1:3,043

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.



Meeting: Work Session

Date: June 16, 2014

Policy Report

PAYDAY LOAN REGISTRATION FEE

ISSUE

Consider the establishment of a fee for processing the certificates of registration as required by the payday loan ordinance that was approved by Council on March 18, 2014.

OPTIONS

1. Adopt the fee for processing registration applications.
2. Do not adopt the proposed registration fee.

RECOMMENDATION

Option 1 - Approve an ordinance establishing the fee for processing payday loan certificates of registration at \$75. If Council concurs, this item will be scheduled for formal consideration at the July 1, 2014 Regular Meeting.

BACKGROUND

The City Council approved on March 18, 2014 an ordinance requiring payday and title loan operators to register with the City. The registration insures that the City has a means to track compliance with the operative provisions of the payday loan ordinance. It is appropriate to charge a fee for the processing costs involved in issuing that registration certificate. A fee of \$75 per location should adequately cover the costs of operating the registration program.

CONSIDERATION

Other Texas cities with or contemplating an ordinance for payday loan establishments are as follows: Dallas \$50 fee, San Antonio \$50 fee, Houston \$50 fee.

Submitted By:

Mike Gaiter
Building Official

Date: June 9, 2014

Approved By:

William E. Dollar
City Manager

Date: June 9, 2014



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

Interviews for Appointment to the DART Board of Directors

Summary of Request/Problem

The terms of office for Mark Enoch and Michael Cheney as City of Garland representatives on the DART Board of Directors will expire on June 30, 2014.

Information was posted on the City's website for 14 days in order to provide an opportunity for citizens to apply for the positions. At the close of the 14-day notice period, Mark Enoch, Michael Cheney, Tom Cooper, Jonathan Kelly, and Thomas Campbell responded.

Council is scheduled to interview Mark Enoch and Thomas Campbell at this meeting. At the June 30, 2014 Work Session, Michael Cheney, Tom Cooper, and Jonathan Kelly are scheduled to be interviewed by Council.

Recommendation/Action Requested and Justification

Candidates interviews.

Submitted By:

Approved By:

**William E. Dollar
City Manager**



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

Citizens Ad Hoc Streets Improvement Committee Report

Summary of Request/Problem

The Citizens Ad Hoc Streets Improvement Committee was created by Mayor Douglas Athas in March 2014. The mission of the Committee was to study the City's street repair maintenance program with the intent of maximizing street conditions while minimizing the financial impact to citizens and businesses. Each City Council member appointed a citizen to serve on the nine-member committee. The Committee has been meeting on a regular basis and will provide a report to Council on their recommendations in the areas of operations, funding, and street prioritization.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

**Bryan L. Bradford
Assistant City Manager**

Approved By:

**William E. Dollar
City Manager**



**CITIZENS AD HOC STREETS
IMPROVEMENT COMMITTEE
June 12, 2014**

SUMMARY REPORT

Introduction

The Citizens Ad Hoc Streets Improvement Committee was created by Mayor Douglas Athas in March 2014. The mission of the Committee was to study the City’s street repair maintenance program with the intent of maximizing street conditions while minimizing the financial impact to citizens and businesses.

***Maximize Street Conditions While Minimizing the Financial Impact
to Citizens and Businesses***

Each City Council Member appointed a citizen to serve on the nine-member committee. The Committee elected a chairman from among its members. The Committee was provided staff support by the City Manager’s Office, Public Works Managing Director, Streets Department, Transportation Department, and Budget and Research. Citizens serving on the Committee included the following:

Larry Jeffus	Chairman
John McDonald	At Large
Mark Hoffmann	District 1
Diana Gifford	District 2
Ken Risser	District 3 – Partial Term
Theresa Smith	District 3 – Partial Term
Leroy Bailey	District 4
Billie Bogart	District 6
Keith Engler	District 7
Diane Keress	District 8

Committee’s Charge

The Committee was provided a charge by the Mayor that asked for specific recommendations in the areas of Operations, Funding, and Street Prioritization within 90 days. A complete copy of the Mayor’s Charge is included in Attachment (A). Before addressing the Mayor’s Charge, the Committee received an extensive orientation to provide a foundation for future discussions.

To facilitate the Committee's work, the Mayor's charge was divided up into ten specific issues. Below are the Committee's recommendations related to each of these issues.

Operational Recommendations

The Committee examined the City's mix of construction materials including concrete, asphalt, and asphalt over concrete. Also discussed was balancing the scope of repairs such as sidewalk to sidewalk, curb to curb, or slab replacement. In addition, the Committee examined the business model being utilized and the use of City street crews and private contractors.

(O1) Recommend a mix of construction materials after reviewing pluses/minuses of each:

- (a) Concrete
- (b) Asphalt
- (c) Asphalt over concrete
- (d) Combination of above**

The Committee recommends significantly increasing the number of concrete streets to be repaired utilizing asphalt overlays and the newly acquired asphalt paving machine. The advantages of asphalt overlays on concrete streets are as follows:

- (a) Would be targeted for streets in poor condition and, in some cases, failed streets that are not scheduled for reconstruction for several years.*
- (b) Would be used for concrete streets with surface defects that do not have significant base failures.*
- (c) Would provide smooth driving surface, is often quieter, and could restore streets to a Pavement Condition Index (PCI) of 95+ - as opposed to having no repairs performed until it deteriorates to the point of warranting reconstruction.*
- (d) Can extend the life of the street for 10+ years and delays the need for costly reconstruction.*

Very few asphalt overlays are currently being done in Garland. The City Council would need to endorse the expansion of this practice since citizens often perceive that concrete is more aesthetically pleasing and desirable. In reality, however, asphalt provides a driving surface that is equal to, or even better, than concrete at substantially less cost.

(O2) Recommend construction methodology and scope based on costs/benefits and other factors:

- (a) Sidewalk to sidewalk**
- (b) Curb to curb
- (c) Slab replacement
- (d) Other

The Committee recommends that street refurbishments include the replacement of sidewalks on both sides of the street – but only when warranted.

(O3) Recommend a preferred business model based on costs/benefits:

- (a) In-house City crews
- (b) All private entities
- (c) Combination of the above**

The Committee recommends the continued uses of both in-house street crews and private contractors. Using large private contractors on busy arterials decreases disruptions and shortens construction time. While it costs on average 10% more to repair arterials using private contractors, the Committee believes their use is justified.

Other Operational Recommendations

- (1) The Committee recommends that the Street Department document in written procedures the process for ranking and selecting streets for repair and replacement. The Department should also develop written guidance for the types of materials and methods that should be used given certain roadway conditions.*
- (2) The Committee recognized that the City's street reconstruction and maintenance program relies heavily on specialized skill sets and trained professionals. It is recommended that the Street Department place a high priority on cross-training and succession planning. This will ensure that there are multiple subject matter experts within the department.*

Financial Recommendations

A 12-year financial projection model was utilized by the Committee to study the short-term and long-term impacts of each street funding option. The model indicated that it would be 2025 before significant amounts of existing debt would be paid off and street funding needs could be met without additional taxes or fees. As a result, the Committee considered each of the options below with respect to filling a 10-year funding gap. The specific financial options examined included the following:

- Option (A) No Additional Funding
- Option (B) 2-Cent Tax Rate Increase – Debt Funding
- Option (C) 2-Cent Tax Rate Increase – Cash Funding
- Option (D) Transportation User Fee (TUF)

The Committee also considered an option that would slow down the 2004 Bond Program and use the debt capacity to fund streets. This option was unanimously eliminated from consideration.

(F4) Recommend a preferred method for generating additional funding:

- (a) No Additional Funding
- (b) 2-Cent Tax Rate Increase – Debt Funding
- (c) 2-Cent Tax Rate Increase – Cash Funding**
- (d) Transportation User Fee (TUF)**

The Committee found that each financial option presented advantages, disadvantages, tradeoffs, and sacrifices. Based on the Committee's analysis, however, it arrived at the following recommendations:

- (1) *The \$750,000 that was cut from the General Fund transfer to the Infrastructure Repair and Replacement Fund during the recession should be restored over the next five years.*
- (2) *As the City emerges from the impacts of the recession, street improvements should be given a higher priority in the allocation of General Fund revenues.*
 - (a) *The General Fund, Water Utility Fund, and Wastewater Utility Fund transfers to the Infrastructure Repair and Replacement Fund should be increased annually for inflation.*
 - (b) *The annual funding from the General Fund should be increased each year with a goal of transferring an additional \$5.0 million a year to the Infrastructure Repair and Replacement Fund by 2025.*
 - (c) *2(a) and 2(b) above were incorporated into all the funding options under consideration.*

(3) **The Committee rated a combination of options (C) and (D) as the most preferred. This combined option - (E) - includes the 2-Cent Tax Rate Increase – with the funds used to generate cash - plus the implementation of a TUF. The combined option appealed to the majority of Committee members for the following reasons:**

- (a) Filled the funding gap.
- (b) Tax rate increase and TUF could be repealed after approximately five years. Other options would require that the additional funding assessments be in place for nine to ten years.
- (c) Did not include the issuance of debt and saves \$13.9 million in interest.
- (d) Flexibility to front-load improvements versus same amount of funding each year.

The Committee's second option was (B), consisting of a 2-Cent Tax Rate Increase – utilizing the funds to service debt issued for street improvements.

FUNDING OPTIONS MATRIX

Ref	FUNDING OPTIONS	(B) 2-Cent / Debt	(C) 2-Cent / Cash	(D) TUF	(E) (C)+(D)
Line	Funding Gap ⁽¹⁾	\$33.6 Mil	\$33.6 Mil	\$33.6 Mil	\$33.6 Mil
1	Funding Provided	\$29.5 Mil	\$22.9 Mil	\$33.6 Mil	\$33.6 Mil
2	Life of Funds	6.5 Years	10 Years	10 Years	10 Years
3	Funding Gap	\$4.0 Mil	\$14.8 Mil	None	None
4	Funding Method	Debt	Cash	Cash	Cash
5	Tax / Fee	2-Cent Tax	2-Cent Tax	TUF	Tax/TUF
6	Tax Deductible	Yes	Yes	No	Mixed
7	Taxpayer Equity	Progressive	Progressive	Regressive	Mixed
8	Impact Resid. Yr. ⁽²⁾	\$18.40	\$18.40	\$48.00	\$66.40
9	Impact Monthly	\$1.53	\$1.53	\$4.00	\$5.53
10	Impact Comm. Yr.	\$200/mil	\$200/mil	\$324 Avg.	Combined
11	Rescinded After	10 Years ⁽³⁾	10 Years	9 Years	5 Years
12	Interest Cost	\$13.9 Mil	NA	NA	NA

Notes:

- (1) The Funding Gap of \$33.6 million is net of increases in the General Fund annual transfer of \$5.75 million and annual adjustments for inflation.
- (2) Residential impact based on home value of \$100,000 and TUF of \$4.00 per month residential and an average of \$28.76 per month for commercial.
- (3) Debt Service would continue for 20 years. There is enough existing debt falling off in 10 years to absorb the impact and rescind the 2-cent tax rate increase.

- (F5) If a property tax rate increase is the sole funding source used for street improvements – recommend a preferred financing approach:
- (a) Pay-as-you-go – recognizing that fewer streets will be improved but avoids debt
 - (b) Debt fund – to maximize the number of streets that initially can be improved**

The Committee found that a 2-cent tax rate increase would generate approximately \$2.0 million a year in funding and the PCI would continue to decline. This was less than one-half of the \$4.5 million a year needed to address street deterioration.

- (F6) Recommendation as to what, if anything, should be considered to offset the need for a tax rate/fee increase: **(Avoid initial impact or need to raise taxes)**

The Committee strongly supports measures that lead to cost-effectiveness and efficiencies in all areas of the City's budget. The group did not, however, have the background or time within its 90-day charge to identify what measures should be considered. It was, however, the consensus of the group that City service levels should not be sacrificed in order to fund streets and that the 2004 Bond Program should not be delayed.

- (F7) Recommendation as to what, if anything, should be considered to offset the tax rate/fee increase in future years: **(Initial impact but offset in future years)**

(1) *In choosing a combination of funding options (C) and (D), the Committee placed a high priority on the additional taxes and fees being temporary. The combination of options would allow for the needed funding to be collected over the shortest amount of time – approximately five years.*

(2) *The Committee strongly urges that any tax or fee increases enacted for street improvements be accompanied with a "sunset provision" to the extent allowed by law and that the additional funding measures be rescinded in five years.*

- (F8) Recommendations as to how to ensure that current funding is not supplanted by new funds:

The Committee recommends that there be an annual street funding disclosure in the City Press and in other appropriate documents. The disclosure should show the amounts collected and spent on street improvements.

Street Prioritization

(9) Recommend a methodology for prioritizing streets for improvement work:

- (a) Pavement Condition Index (PCI)
- (b) Traffic volumes
- (c) Number of homes/businesses impacted
- (d) Weighted combination of above
- (e) Other**

The Street Department is currently utilizing a methodology to prioritize projects based on PCI, field observations, traffic volumes, number of properties impacted, project cost, neighborhood access, front or rear entry drives, percentage of heavy truck use, and ability to tie into existing concrete streets. The Committee reaffirmed the multiple criteria currently being utilized by the Street Department.

(10) Provide a recommendation as to how street funds should be allocated between categories (i.e., arterial repairs, residential reconstruction).

\$4.5 Million Increase in Annual Funding (1)

Year	<u>Arterial Repairs (2)</u>	<u>Residential Reconstruction</u>	<u>Residential Repairs</u>	<u>Asphalt Overlays</u>
1	\$3,750,000	\$0	\$500,000	\$250,000
2	⁽³⁾ \$3,650,000	\$0	\$600,000	\$250,000
3	\$3,550,000	\$0	\$700,000	\$250,000
4	\$3,200,000	\$250,000	\$800,000	\$250,000
5	\$2,850,000	\$500,000	\$900,000	\$250,000
6	\$2,750,000	\$500,000	\$1,000,000	\$250,000
7	\$1,750,000	\$500,000	\$2,000,000	\$250,000
8	\$1,750,000	\$500,000	\$2,000,000	\$250,000
9	\$1,750,000	\$500,000	\$2,000,000	\$250,000
10	\$1,750,000	\$500,000	\$2,000,000	\$250,000
Total	\$26,750,000	\$3,250,000	\$12,500,000	\$2,500,000

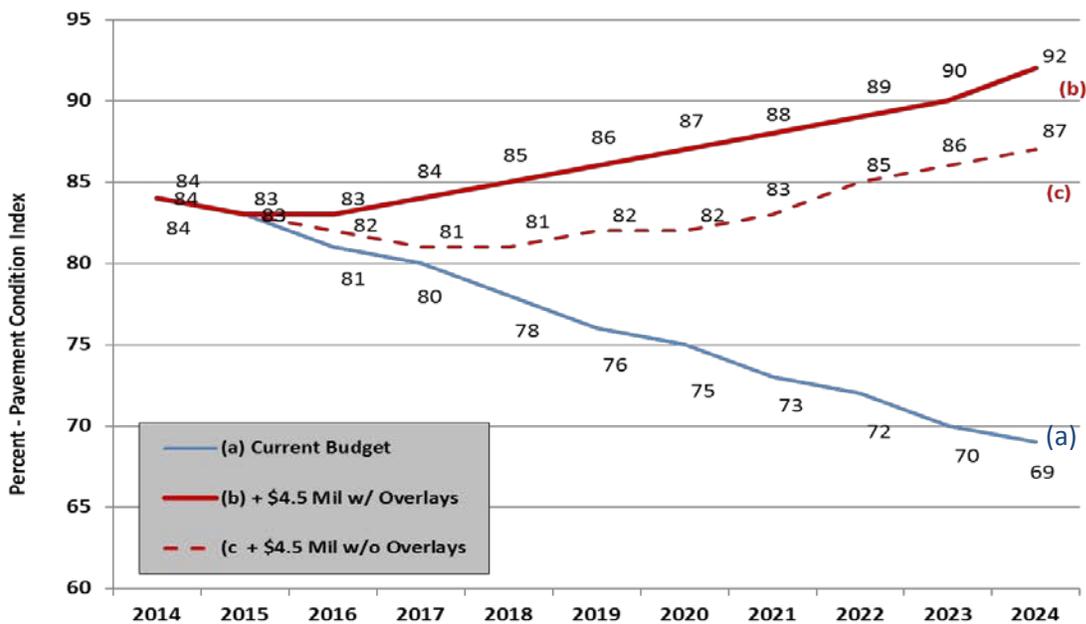
- (1) This table assumes that revenue is spent on an equal annual allocation. Depending upon when funding is available, the annual allocations could be modified.
- (2) This category includes repairs on arterials, collectors, and industrial streets.
- (3) Approximately \$1 Mil. to reconstruct Rowlett Rd. from Roan Rd. to Lake Ray Hubbard.

Graphical Summary

The graph below presents the average projected PCI from current levels through 2024 based on the following:

- (a) Current funding levels
- (b) An additional \$4.5 million a year plus expansion of asphalt overlays.
- (c) An additional \$4.5 million a year without expanding asphalt overlays.

Projected Garland Street Conditions
(Measured by Average Pavement Condition Index)



Committee's Closing Comments

The Committee, which consisted of a cross-section of the community, came to its recommendations after detailed discussion with City staff combined with independent analysis and study. The Committee's consensus is that the need is urgent, because deferring road repairs will only lead to rapid degradation and compound the problem. The recommendations reached by the Committee will make the resources immediately available to start improving the condition of the City's streets and infrastructure. They will also allow all citizens and business owners to fairly contribute over a period of only five years, using a combination of property tax and user fees. Furthermore, it is important to note that this recommendation would not require incurring any debt for future generations.

The Committee would very much like to express its sincere thanks to City staff for their support and assistance. And finally, the Committee would like to thank the Mayor and City Council for the opportunity to participate in addressing this important issue facing our community.

APPENDIX (A) Mayor's Charge to the Citizens Ad Hoc Streets Improvement Committee

Background

Streets within the city have suffered a quicker rate of deterioration in recent years, much of the reason being the extended drought, and additional funding is needed to address this need. Also, a major source of funding to supplement street repairs has been declining and that source will soon be close to exhaustion.

The city council started discussions in August, 2013, to address the challenge. Although multiple options were identified and discussed, one was to raise the ad valorem tax rate; however, council preferred to have citizen approval before proceeding with that particular option and directed that an item be placed on the November, 2013, ballot to solicit and establish citizen preferences. It was not the sole or even to best solution but for the question to appear on the ballot, the Council had to meet a quickly approaching deadline. By a wide margin, the measure passed. It is important to understand that the vote was a strong confirmation that citizens felt street deterioration needed to be addressed even if it meant higher taxes but it shouldn't be viewed as request to raise their taxes if the problem could be addressed—partially or wholly—by alternative means.

To consider alternative means and other questions, the Council has appointed a nine-member ad hoc committee, a mayoral representative and one from each council district, to meet and confer with various city departments to develop recommendations to the Council on financing options, street selection criteria, and optimal construction techniques. Staff will convene the first meeting and present a background briefing of the common practices the city uses now for street selection and funding, and various alternatives that might be considered for recommendation. The committee will choose its own chair at the beginning of the second meeting and the committee will set its review priorities, information requests, and meeting times and locations.

Council Objective

Rehabilitate failing city streets, spending an additional \$4.5 million per year for six years, or identify equivalent efficiencies, or some combination of both.

Mayor's Charges to Committee

- Recommend to the Council a program within 90 days following the initial committee meeting that fulfills the Council Objective and maximizes streets repaired with minimal long-term financial impact to residents and businesses.
- Identify a preferred funding method, which might be the voter-approved tax rate increase, or a street-user fee, or a permit fee for overnight parking, or other methods, or a combination of methods. Consider if there is greater benefit for debt-funding or pay-as-you-go. If the optimal method is a tax-supported/debt-funded program, consider options that might offset the tax increase, both in the short- and long-terms. Assure that current funding methods aren't diverted and only the new funds used.
- Consider the optimal street selection and prioritization method, which would incorporate the Pavement Condition Index and might include other criteria such as traffic volumes, number of homes or businesses that would benefit, or other selection criteria.

APPENDIX (A) Mayor's Charge Continued

- Consider construction techniques that maximize the overall improvements to streets, while factoring the long-range service and cost benefits. The program could rehabilitate streets from sidewalk-to-sidewalk, which has the most economic impact and durability; or curb-to-curb, which would allow more actual street improvements and allow a faster schedule but with less economic benefit; or just slab replacements, which would be even more repairs and faster but far less economic impact and durability; or other methods. Criteria could be set that factored different levels of improvement, depending on the current state of deterioration. Consider construction materials, such as concrete (longer life but slower and more expensive), or asphalt (shorter life and greater chances of uneven surfaces over time), or other techniques, such as an asphalt overlay over stable concrete. Consider the benefits and costs of in-house repairs and privatized construction, or the balance between the two



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

Transportation Report

Summary of Request/Problem

Dean International, the City's transportation consultant, will update Council on the following:

- IH-30
- IH-635 East
 - IH-635 Resolution
 - IH-635 East Sound Wall Project Status
 - IH-635 East Service Road Project Status
- SH-78
- THSRTC
- TEX-21
- RTC
- DRMC
- Legislative and Congressional Briefing

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

AT&T Utility Relocations Update

Summary of Request/Problem

At the request of Council Member B. J. Williams and Mayor Pro Tem Lori Barnett Dodson, an AT&T representative will provide an update on AT&T utility relocations as it impacts the Northwest Highway Reconstruction Project.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

Environmental Waste Services Residential Rate Increase

Summary of Request/Problem

At the request of Council Member Scott LeMay and Mayor Douglas Athas, Council is requested to reconsider a request to increase the Environmental Waste Services Residential Rate to be effective July 1, 2014. 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 previously considered this item at the May 19, 2014 Work Session and June 3, 2014 Regular Meeting. This item is scheduled for formal consideration at the June 17, 2014 Regular Meeting.

Recommendation/Action Requested and Justification

Council discussion and direction.

Submitted By:

Approved By:

William E. Dollar
City Manager



City Council Item Summary Sheet

Work Session

Date: June 16, 2014

Agenda Item

TMPA Board Appointment Process

Summary of Request/Problem

The Texas Municipal Power Agency (TMPA) notified the City that James Ratliff's term as a member of the TMPA Board of Directors expires on July 18, 2014. The City will need to reappoint Mr. Ratliff or appoint a new member to serve for the two-year term of July 19, 2014 to July 18, 2016.

At the request of Mayor Douglas Athas, Council is requested to discuss posting the position for a 14-day period and interviewing interested candidates for consideration or reappointing Mr. Ratliff for another two-year term.

Recommendation/Action Requested and Justification

Council discussion and direction.

Submitted By:

Approved By:

William E. Dollar
City Manager