

**State of Texas
County of Denton
City of Lake Dallas**

The Lake Dallas City Council met in a special meeting on August 18, 2015 in the Lake Dallas City Hall, 212 Main Street, with notice of the meeting given, as required by Title 5, Chapter 551.041 of the Texas Government Code. Mayor Pro Tem McCaleb called the meeting to order at 7:30 p.m.

A. ROLL CALL

Mike McCaleb	Mayor Pro Tem
Julie Mathews	Councilmember 1
Steve Forgey	Councilmember 3
April Estrada	Councilmember 4
Andi Nolan	Councilmember 5

Staff Present: City Manager/Police Chief Nick Ristagno; City Secretary Joni Vaughn; Finance Director Donna Boner; Police Captain Wes Frazier; Police Lieutenant Eric Louderback; Community Development Director Char DuPree; Municipal Court Clerk Donna Butler; Public Works Supervisor Devin Shields; Librarian Joe Gunter

B. INVOCATION

Councilmember Estrada gave the invocation.

C. PLEDGE OF ALLEGIANCE:

Mayor Pro Tem McCaleb led the pledges of allegiance.

D. VISITORS/CITIZENS AGENDA

No one came forward to speak.

E. BUSINESS

1) Consideration and action to provide a temporary exception from construction time requirements to Stone Systems of North Texas.

City Manager Ristagno explained to Council that Stone Systems was approved for an expansion recently and they have to pour a large slab of concrete. Because of the heat they have run into some issues with the concrete and they have requested a temporary exception because of this.

Joe Flowers, 1 Lake Lane, Hickory Creek, contractor for Stone Systems, discussed the problem they were having with pouring concrete in the high temperatures. Council had questions of Mr. Flowers and discussed different options with him. Council requested that Mr. Flowers notify the surrounding neighbors of the early morning pours and asked that notification be put on the City's website also.

Amended Motion to approve a temporary exception from construction time requirements of the City code to Stone Systems in order to do three concrete pours; beginning August 20 and expiring October 1 was made by Councilmember Forgey and second by Councilmember Nolan.

Ayes: Councilmembers Forgey, Nolan, Mathews, and Estrada

Noes: None

Motion Passed

2) Budget Workshop

Council and Staff moved down to work tables to discuss the proposed City budget for the next fiscal year. City Manager Ristagno told the Council that the budget being presented this evening is unfinished, therefore it is not yet balanced. It does not have any additional personnel nor does it provide any pay increase for staff. It includes a salary for both a city manager and a police chief as well as a wish list of all the capital items the departments feel they need. We are also awaiting a price on a better sound system for the council chambers.

Council and Staff discussed capital equipment for Public Works. Public Works needs a new dump truck and a backhoe. They would also like to add a skid steer and a bucket truck, but may request help from CDC for the purchase of those items. It was decided to purchase a backhoe, sander, small trailer, and a tool chest with an upgraded tool inventory for Public Works in the new budget. Council and Staff then discussed the need to purchase new police radios due to the FCC changing the radio frequency system. The Police Department is hoping to purchase the portable radios in the FY16 budget and purchase the mobile radios in FY17 so that we will be in compliance with the change coming around 2017. The PD was also requesting a vehicle to be replaced. It was decided to wait on replacing the vehicle and just take care of the portable radios in the new budget year. The City's phone system was also discussed due to a problem that recently occurred. The system is 25 plus years old and they do not make parts for it anymore. The company that supports our system may have an opportunity for us to upgrade our system with a used, but newer system. Councilmember Forgey suggested that the City look at an internet based phone system.

City Manager Ristagno addressed the tax rate. City Secretary Vaughn gave a brief explanation of the tax rates this year. Staff was proposing using the roll back rate of .694738 which would be about a one cent drop in the tax rate from the current rate of .701929. The effective tax rate would be .668068 and would bring in approximately the same amount of property tax dollars as last year. Councilmember Mathews wants to see at least a ten cent drop in the property tax rate. Finance Director Donna Boner said that would take approximately \$350,000 out of our revenues. Councilmember Mathews wants to put Community Relations Department on hold and use that money for the Library; she feels that literacy in the community is more important than having city events. She feels the Library could add part time people or interns to handle events or partner with the Chamber for events. Councilmember Mathews is also proposing that the City do away with having 911 dispatchers like our neighboring communities and contract with Denton County. Councilmember Estrada feels we need to focus on one area at a time if we are going to look at reducing the tax rate.

The next topic of discussion was the salary amount for a new city manager. Councilmember Mathews disagreed with the budgeted amount of \$125,000; she feels the market rate for a small city is under \$80,000. Councilmember Nolan and staff members feel a qualified City Manager can't be found for under a \$100,000. Mrs. Mathews does not believe this size town can attract somebody in that range; she believes it is a starter city or an end of career city. Councilmember Estrada stated she would not want someone in that mentality. Councilmember Estrada would like to have a City Planner.

Councilmember Mathews asked when the fire contract would be up. City Manager Ristagno said the contract is up in 2017. He stated he and the Hickory Creek City Manager have been in discussions with the Corinth City Manager and would like to start the negotiations early. Lake Dallas and Hickory Creek would like a contract based on cost per services. Lake Dallas also needs to do cost estimates on doing fire services with Hickory Creek and compare those costs with Corinth's cost of services.

Mayor Pro Tem McCaleb adjourned the meeting for a short break at 9:20 pm.
Mayor Pro Tem McCaleb reconvened the meeting at 9:30 pm.

2) Budget Workshop – cont'd

Discussion continued regarding the tax rate. City Manager Ristagno said the plan was to incrementally lower the tax rate over a period of years, not do a large amount all at once and devastate the City. Councilmember Forgey is in favor of decreasing a little bit at a time and using the rollback rate because it is a small decrease. Councilmember Mathews feels we should do what Hickory Creek does and combine Animal Services with Public Works. She feels we spend too much money for dogs and cats. She feels Public Works should operate out of the Animal Services building. City Manager Ristagno stated that when the animal shelter was built back in 2008, the sentiment of the council was to do something nice, do something better than we had done in the past and as a result, they built a large facility. Discussion went back to the tax rate. Councilmember Nolan suggested using the effective tax rate. Councilmember Estrada doesn't want to cut the tax rate so much that services are cut. City Manager suggested that Council could also consider taking out a five year note to buy the capital equipment. He reminded Council that the Fire Department needs a new roof, the Library needs roof repairs, and our Municipal Building has foundation issues that will have to be addressed in the future. We also need to be mindful to continue to build our fund balance up to the amount the auditor recommended. We have made considerable progress toward building that fund balance back up to where it should be.

The discussion turned to roads. City Manager Ristagno said we have \$162,500 in next year's budget to address some road repairs. He said Beck and Kings Manor Drive must be addressed in this year's budget. He said we are hoping to partner with the County to do Shady Shores Road in the future.

Councilmember Estrada asked if we would put money for city planner consultant fees in the budget and City Manager Ristagno said he would add that.

Char DuPree, Community Development, had concerns about her department's revenue with the denial of Mike Mayberry's project. She had permit fees for that project figured in to her revenues for the next budget year and those fees will need to be removed.

Councilmember Mathews would like to hear from Librarian Joe Gunter. Joe reminded the Council and Staff that cutting taxes is fine to a degree, but they should keep in mind that those tax dollars pay for services for the citizens such as funding the Library. Joe stated they want to do outreach to the schools. He believes he has a great staff assisting him at the Library. City Manager Ristagno said Shady Shores would be contributing to fund the Library.

Councilmember Nolan asked if we could talk to LCMUA about allowing people to donate to the Library when paying their water bill and Staff will look into that. Joe informed the Council that often times the people they assist in the Library are less fortunate and do not have computers and such. The Library is an avenue that the City can reach out to those less fortunate who need assistance in some areas.

Councilmember Mathews asked who set the revenue amount for Court. Several staff members explained that the number is based on previous years' revenues. City Manager Ristagno informed Council that this year court revenues were negatively impacted by the injuries of two officers who were on extended leave earlier in the year and we were already down one officer. Councilmember Mathews asked if the Community Relations position could be part time. City Manager Ristagno said that position is really a full time job with all that it has grown to be. It encompasses the special events, the website, and the newsletter.

There was further discussion about the Library, about SPAN, about the leased vehicle tax. The discussion wound down and City Manager Ristagno gave a recap of things that would be checked on: a sound system for the Council chamber, consulting fees for a City Planner, figures from SPAN, and upcharge with LCMUA for the Library.

3) Consideration and Action to set the proposed tax rate.

Motion to set the proposed the tax rate at the effective tax rate of .668068 per \$100 was made by Councilmember Nolan and second by Councilmember Estrada .

Ayes: Councilmembers Nolan, Estrada, and Forgey

Noes: Mathews

Motion Passed

4) Consideration and Action to set the dates for the public hearing on the proposed tax rate.

Motion to set a public hearing for the tax rate for September 22 was made by Councilmember Nolan and second by Councilmember Estrada .

Ayes: Councilmembers Nolan, Estrada, Mathews, and Forgey

Noes: None

Motion Passed

5) Consideration and Action to set the date for the public hearing on the FY 2016 Budget.

Motion to set a public hearing for the FY 2016 Budget for September 22 was made by Councilmember Estrada and second by Councilmember Forgey.

Ayes: Councilmembers Estrada, Forgey, Mathews, and Nolan

Noes: None

Motion Passed

F. NEW AGENDA ITEMS

Mayor called for a special meeting on September 22. Council would like to hold a workshop to review the City Code in October.

G. ADJOURNMENT

Mayor Pro Tem McCaleb adjourned the meeting at 11:00 pm.

Mike McCaleb, Mayor Pro Tem

Joni Vaughn, City Secretary