

MINUTES OF A STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD AT THE TOWN HALL, 4700 DREXEL DRIVE, ON TUESDAY, AUGUST 20, 2019, AT 8:00 A.M.

Present at the meeting were Mayor Margo Goodwin, Mayor Pro Tem John McKnight, and Town Council Members David L. Dowler, Eric Gambrell, Jimmy Grisham, and Craig Penfold.

UPCOMING AGENDA DISCUSSION

Consent

“Review and discuss referring to the Zoning Commission a request to amend the Town’s Zoning Ordinance by combining 4508, 4510, and 4512 Abbott Avenue into one multifamily building site.” Kirk Smith, Assistant Director of Town Services, stated that an application was submitted on August 8, 2020, to combine three multifamily building sites at 4508, 4510, and 4512 Abbott Avenue into one multifamily building site. The properties consist of two condominium complexes, 4508 and 4510 Abbott Avenue, and one apartment complex, 4512 Abbott Avenue. The condominiums’ homeowners associations have majority ownership and agree to the sale, conditioned upon the Council’s approval of the zoning request. Mr. Smith explained that the Town’s Zoning Ordinance provides for combining multifamily properties; the proposed combined property could be combined with other sites in the future, or subdivided, as long as the density complies with the Zoning Ordinance. Mr. Smith reviewed a map of the three properties. Currently 61 units are contained within the three properties; the maximum density for the proposed combined property is 75,000 square feet, or 50 1500-square-foot units. In response to questions, Mr. Smith stated that as proposed, the units will be three-story units; each unit is required to provide 2 off-street parking spaces, with guest parking provided. Two other three-story units are on Abbott Avenue, at 4502 and 4608 Abbott Avenue.

Action

“Review and discuss conducting a public hearing to receive a recommendation from the Zoning Commission and public comments regarding a request to rezone and replat the properties at 4559 and 4565 Rheims Place into a combined building site.” Kirk Smith explained that a new residence at 4565 Rheims Place was completed; the property owner plans to use the land at 4559 as a side yard. He stated that the property owner understands that if approved, the properties cannot be subdivided in the future.

Consent

“Review and discuss an interlocal agreement with the City of University Park for the Drug Abuse Resistance Education and the School Resource Officer programs.” Rick Pyle, Director of Public Safety, explained that this is the 15th year the Town will enter into an interlocal agreement for DARE and SRO officers. An officer is placed in the Middle School and in the High School; the cost varies each year depending on the officers assigned to these posts. The cost for this year is approximately \$800 less than the previous year. In response to questions, Rick Pyle verified that the officers are in the schools all day; they are employed by the City of University Park Police Department; they receive additional training; and the Town funds 25% of the costs to supply the officers, based on the ratio (25%) of the District’s students who are residents of Highland Park. Mayor Goodwin stated that the SRO officer spoke to the IMPACT HP group, the Town’s youth

leadership program, and shared that students tell him about things going on and confide in him rather than telling a teacher.

“Review and discuss a professional services agreement with Kimley-Horn Associates, Inc.” No discussion.

FUTURE AGENDAS DISCUSSION

No items assigned to this category.

REPORTS

“Review and discuss community education available to Highland Park youth and adult residents.” Kathleen Stewart, Director of Town Services, described IMPACT HP, the Town’s youth leadership program for students in grades 9 – 12 who are residents of Highland Park. This is the second year for this program, which will begin on Saturday, August 24, and meet throughout the school year. Ten of the past year’s participants are returning, and nine new students will join them. Various topics identified by the past year’s participants will be covered. Mayor Goodwin commended last year’s Youth Town Hall program, which included participation from the School Board and the High School Principal. Adults may participate in the Highland Park Citizens Academy, which has been renamed as “Town Hall 101,” in partnership with the Highland Park Community League. Town Hall 101 will meet each quarter, and will be limited to 24 Highland Park residents selected on a first-come, first-served basis.

“Review and discuss the status of the Preston Road construction project.” Lori Chapin, P.E., Director of Engineering, stated that the project is on schedule; currently the crew is removing the pavement in the southbound lanes. In response to questions from the Town Council, Rick Pyle reported that policing the construction zones has been effective; the placement of the barrels depends upon the location of the workers; and the transition to one lane is a safety requirement.

“Review and discuss the Financial and Investment Report for the period ending June 30, 2019.” Karen Kurtin, Controller, stated that June marks the end of the ninth month of the Fiscal Year 2019 Budget Year; the year-to-date budget percentage for budgetary comparison is 75%. General and Utility Fund combined revenues were \$28,861,936, or 76.7% of the annual projected amounts. Combined expenses and encumbrances were \$26,026,872, or 67.6% of the annual budget. Property tax revenues were 100.1 % of the year-to-date projection; sales tax revenues were 112.5% of the year-to-date projection; and building permit revenues were 115.1% of the year-to-date projection. General Fund expenditures were 76.8% of the annual budget. Water sales were less than projected through June, at 77.5% of the year-to-date projections; revenues were down approximately 21.1% when compared to the amount of revenue generated during the same period in the prior fiscal year. The market value of the Town’s investment portfolio as of June 30, 2019, was \$37,174,610, and the total portfolio yield was 2.76%.”

“Review and discuss the Quarterly Investment Report for the quarter ending June 30, 2019.” Bill Koch, representing Valley View Consulting, LLC, the Town’s investment consultants, introduced his associate, Tom Ross, and explained that the report is for the third quarter of the 2018-19 fiscal year. As of June 30, 2019, the book value of the Town's investments was \$37,174,610, with a market value of \$37,174,610. The average yield for the portfolio for this quarter was 2.76%. Quarterly interest income was approximately \$270,239, with year-to-date interest income of \$737,788. In response to a question from Mayor Goodwin, Mr. Koch stated that the Town’s investment policies do not require investments to be placed in Texas banks. Karen Kurtin added

that funds were recently placed in the Bank of the Ozarks. The report was provided to the Finance & Audit Advisory Committee on August 5, 2019.

“Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2019-20.” Steven Alexander reviewed the schedule in preparation of adopting the Fiscal Year 2019-20 Combined Operating and Capital Budget (the “Budget”), culminating with Town Council considering action on the Budget on September 9, 2019. When adopting the Budget, the Town Council also adopts the 10-Year Capital Improvement Plan (“CIP”), but funds cannot be expended on the projects until the specified year. The Finance and Audit Advisory Committee (“FAAAC”) recommended financing the Public Safety P25 Radio System and the associated equipment through the Fund Balance over the next couple of years, and consider funding other CIP projects by incurring debt. The Water Tank Rehabilitation and the Northeast Water Line projects are 20-30 year projects. Bill Lindley stated that by issuing debt, the Town could do many CIP projects sooner. The Town Council discussed the 10-year CIP and the possibilities for funding the projects. Bill Lindley commented that Senate Bill 2, the legislation that caps property tax revenues at 3.5%, will likely cause pay-as-you-go cities to re-enter the bond market to fund their capital projects. Mayor Goodwin remarked that Steven Alexander’s projection of implementing a 1-cent increase on the tax rate and tightening the Operating Budget would carry through the current 10-year CIP. Bill Lindley added that the Town can extend the life of the Elevated Water Tank 10 – 15 years if it invests \$1.8 million in its renovation over the next 2-3 years.

Steven Alexander reviewed the 10-year Financial Model to include reducing growth from 4.5% to 3.5% annually; keeping the property tax rate at \$.23 all ten years; reducing operating costs such as growth in payroll costs from 4.5% to 3.25% annually; and reducing supplies and service contracts from 3.5% to 3%. This financial model anticipates that \$.042 of the \$.23 tax rate will go to the CIP every year beyond 2020.

The Town Council discussed the impact of the 3.5% cap on the property tax rate after this Budget year. Mayor Goodwin stated that the Town Council has one opportunity to plan to cover future emergencies by adding \$.01 to the tax rate this year. In the foreseeable future, the limit will be 3.5%. Council Member Gambrell commented that in over 6 years, an inordinate amount of funding was allocated for infrastructure cost, and an inordinate amount of staff time was spent reviewing every single project; it is necessary to continue providing services to this century-old community. Mayor Pro Tem McKnight stated that the staff has reviewed what can be cut; the maintenance of streets and of the water and sewer systems is very expensive. Mayor Goodwin remarked that the school district has to cut \$.06 or \$.07 from their tax rate, and what the Town Council is doing is rational and sound. She added that Dallas County is also subject to the same 3.5% restriction.

“Review and discuss the Town’s submittal to Dallas County for a Call for Projects as part of its Major Capital Improvement Program.” Lori Chapin explained that Dallas County Public Works is inviting cities to submit applications for project proposals to partner on transportation infrastructure projects through its Major Capital Improvement Program (“MCIP”). The MCIP is a funding mechanism to provide up to 50% of the total project cost for eligible transportation infrastructure improvements in a targeted timeframe of FY 2022 – FY 2025. The staff seeks direction on two options for the Preston Road Phase C (Armstrong Avenue to Wycliffe Avenue) project: (i) Option 1 - improvements to the signalization; or (ii) Option 2 – improvements with a single roundabout. Ms. Chapin explained that the Town would be under no obligation to construct the project it is submitting. The Town could submit Option 1 and Option 2 and see if one is selected by Dallas County. Ryan Delmotte, with Kimley-Horn Associates, Inc., the Town’s engineering consultant, explained the current delays in traffic flow at this intersection and the potential improvement with an updated traffic control system. Option 2 would reduce delays in

half morning and evening, allowing the intersection to function more efficiently. Following a discussion, Mayor Goodwin mentioned negative feedback regarding roundabouts when previously presented, and stated her preference for Option 1. In response to questions, Lori Chapin stated that the cost of Option 1 would be approximately \$4,000,000. Following a discussion among the Town Council Members, Mayor Goodwin directed staff to present Option 1 and Option 2 for now and decide which later.

CLOSED SESSION

1. In accordance with the Texas Government Code Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene into closed session for consultation with and legal advice from the Town Attorney regarding pending or contemplated litigation: Brei v. Highland Park (Cause No. DC-19-08709); and USAI v. Highland Park (Cause No. DC-19-09484).

Mayor Goodwin recessed the Council study session at 9:47 a.m., and convened a closed session pursuant to Section 551.071 of the Texas Government Code, to consult with and receive legal advice from the Town Attorney regarding pending or contemplated litigation: Brei v. Highland Park (Cause No. DC-19-10246); McCullers v. USAI, LP et al (Cause No. DC-18-08709); and USAI v. Highland Park (Cause No. DC-19-09484. Mayor Goodwin closed the closed session at 11:12 a.m. and reconvened the Council meeting in open session. No final action, decision, or vote was taken during the closed session.

OPEN SESSION

1. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding the Closed Session above, shall be made, if any.

Mayor Goodwin asked for discussion or a motion as a result of the closed session, to which there was no response.

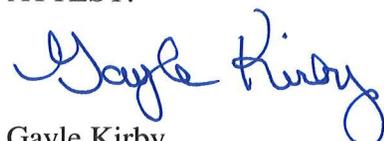
Mayor Goodwin adjourned the meeting at 11:12 a.m.

APPROVED on this the 5th day of May, 2020.

BY:


Margo Goodwin
Mayor

ATTEST:


Gayle Kirby
Town Secretary