

MINUTES OF AN ONLINE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD VIA VIDEOCONFERENCE, AT 8:17 A.M. ON TUESDAY, OCTOBER 6, 2020.

Prior to the study session, Joanna Mekeal, Town Secretary, explained that as provided by the State of Texas, this online Town Council study session could be viewed via the Town's website, or listened to by telephone, and gave the toll-free and alternate telephone numbers, as well as the access number for citizens to call. Mrs. Mekeal conducted a roll call of the Town Council Members. Present at the study session were Mayor Margo Goodwin, Mayor Pro Tem David Dowler, and Town Council Members Jimmy Grisham, Marc Myers, Lydia Novakov, and Craig Penfold.

UPCOMING AGENDA DISCUSSION

Action

Discuss and consider referring to the Zoning Commission a request to amend Planned Development No. 2 Ordinance for placement of a business/tenant signage on an existing screening wall at 4300 MacArthur Avenue. Kirk Smith, Assistant Director of Town Services, explained that the property owner of 4300 MacArthur Avenue submitted a request to install up to 12 tenant signs on the wall. The existing screen wall is located adjacent to MacArthur Avenue on the south parking lot of the property. The applicant's request exceeds the allowable square foot area of similar signage in commercial zoning districts by 32%. The requested signage requires the approval of an amendment to Planned Development No. 2. Staff recommends that the Town Council refer this item to the Zoning Commission for review and recommendation. Council Member Penfold asked if the Town currently has an ordinance referring to signage. Mr. Smith responded that the Town's ordinance has similar sign regulations and similar Zoning districts, however not specifically for planned development. At the request of Council Member Grisham and Council Member Myers, a graphic of the sign was displayed on the virtual call for the Council Members to view. Mayor Goodwin and Bill Lindley, Town Administrator, reminded Town Council that after the Zoning Commission reviews this item, it will come back to the Town Council for final review and approval. The Mayor asked for any questions from the Town Council, to which there was none. On a motion by Council Member Grisham, seconded by Council Member Myers, the Town Council voted unanimously to approve referring the request to amend Planned Development No. 2 Ordinance for the placement of business/tenant signage on an existing screening wall at 4300 MacArthur Avenue to the Zoning Commission.

Consent

Review the purchase of vehicles in the amount of \$73,732.10 from Defender Supply. Wayne Kilmer, Assistant Director of Public Safety, explained that the Department of Public Safety is prepared to purchase two (2) 2021 Chevrolet Silverado SSV trucks, totaling \$73,732.10 from Defender Supply. This capital purchase is made through an interlocal agreement with Tarrant County, utilizing the Tarrant County Cooperative Purchasing Program. This program is a local government purchasing cooperative which complies with State competitive bidding requirements. The purchase of these vehicles is intended to facilitate customer service and work processes of the Alarm Program, Fire Marshal inspection service, and the needs of the Public Information Officer. The Mayor asked if color of the vehicles would be navy. Assistant Chief Kilmer said one vehicle

will be blue and the other will be red. Council Member Novakov asked what will be done with the two older vehicles that the new vehicles are replacing. Assistant Chief Kilmer replied one of the vehicles will be given to the Highland Park Independent School District, the other vehicle is going for auction. The Mayor asked for any questions from the Town Council, to which there was none.

Review, discuss, and consider amending the Code of Ordinances, Article 12.06.004 – Speed Limits in School Zones, to revise the time of day for school zones in and around Bradfield and Armstrong Elementary Schools. Lori Chapin, Director of Engineering, explained the item is provided as an opportunity for the Town Council to review and consider school zone time revisions in and around Bradfield and Armstrong Elementary Schools. It was made aware that the school zones in University Park differ slightly from those within Highland Park. It is not required; however, it is desirable to revise the school zone times to be consistent with University Park to eliminate potential confusion. The current Highland Park School Zone Times are 7:15 a.m. – 9:00 a.m. and 2:30 p.m. – 4:30 p.m. The proposed Highland Park School Zone Times are 7:15 a.m. – 8:30 a.m. and 2:45 a.m. – 4:15 p.m. The Mayor and Council Member Novakov agreed this was a good idea because the proposed time zones will match University Park and be more realistic to the school's schedule. The Mayor asked if there was a way to add a sticker to the existing signs. Ms. Chapin confirmed that a sticker would be added to the existing signs. The Mayor asked for any questions from the Town Council, to which there was none. On a motion by Council Member Myers, seconded by Council Member Novakov, the Town Council voted unanimously to amend the Code of Ordinances, Article 12.06.004 – Speed Limits in School Zones, to revise the time of day for school zones in and around Bradfield and Armstrong Elementary Schools.

Review and discuss an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding 2020 Rate Review Mechanism filings. Steven Alexander, Director of Administrative Services and Chief Financial Officer, explained the briefing. The Town, along with 169 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division, is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company, pursuant to Section 104.301 of the Texas Utilities Code, for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute. In early 2020, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. Standards set forth in ACSC’s RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime was a deficiency of \$111.5 million; to which \$80.8 million was applicable to ACSC members. After Atmos reviewed ACSC’s report, ACSC’s Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$90 million from ACSC Cities, but with a two-month delay in the effective date until December 1, 2020. This should save ratepayers approximately \$9 million which is functionally equivalent to ACSC’s consultants’ recommendation of \$80.8 million. The ACSC’s Executive Committee recommends a settlement at \$90 million. The Effective Date for new rates is December 1, 2020. ACSC members should take action approving the Ordinance before November 1, 2020. Mayor Pro Tem Dowler asked what caused the increase. Mr. Alexander explained that, according to Atmos, the majority of the increase is related to the recovery of pipeline replacement. Susan Harris, Coordinating MPA for Atmos Energy Corporation, Mid-Tex

Division, agreed with Mr. Alexander and added the Company is in the process of replacing the steel service lines. There is going to be ongoing infrastructure replacement-related activities for several years. While gas prices are low, now is a great time to make replacements. Council Member Novakov inquired how the increase was going to be communicated to the customers. Ms. Harris responded that there will be an insert with their invoices. The Mayor asked for any questions from the Town Council, to which there was none.

Review, discuss, and consider approval of amending the Code of Ordinances providing for the operation and regulation of horse-drawn carriages. Paul Sandman, Director of Public Safety, explained the briefing and introduced two (2) of the seven (7) horse-drawn carriage operators, John Jaksch and Brian High. Chief Sandman explained this briefing as an opportunity for the Town Council to continue the discussion from the Town Council meeting, held on September 15, 2020, and consider approval of four (4) modifications to the regulation of commercial horse drawn carriage operations.

The first suggested modification is to increase the liability insurance from \$200,000 for bodily injury or death to one person to \$2,000,000 and from \$2,000,000 to \$5,000,000 per occurrence for commercial general liability insurance for bodily injury or death and property damage, along with increasing from \$200,000 to \$2,000,000 for property damage resulting from any one accident. The Mayor did not agree with this modification. Since this is not a requirement for the limousines or buses traveling through Highland Park, it should not be required for horse drawn carriages. Council Member Novakov asked if there have been accidents involving horse drawn carriages. Chief Sandman responded that he searched accident reports back to 2016 involving carriage rides. Out of thousands of carriage rides there have been only three (3) minor accidents involving horse-drawn carriages. Two (2) of those accidents were caused by the carriages striking a vehicle and one (1) was caused by a vehicle striking a carriage. Bill Lindley, Town Administrator, further explained that there have been no claims made against the Town in result of accidents or injuries caused by horse-drawn carriages. Council Member Grisham stated he did not see a reason to increase the liability insurance.

The second suggested modification was to prohibit the operation of horse-carriage rides after 11:00 p.m. while school is in session from Sunday through Thursday. The Mayor and Council Members agreed with this modification.

The third modification suggested required each vendor to produce a report to show residency of the customers. The Mayor, Council Member Penfold, and Council Member Novakov all agreed this modification is not necessary. Requiring patrons to provide an address may give an impression that this service is only for Highland Park residents. The Mayor added this service is for all patrons regardless of residency.

Limit the number of carriages per night was the last suggested modification. The Town will not issue more than seven (7) licenses per year. If more than seven (7) applicants apply, allocation of licenses will be determined by a public drawing of lots at a time and place determined by the Director of Public Safety. These drawings would be publicly posted 72 hours in advance. A successful vendor may not register more than five (5) carriages. In addition, the regulations would be amended to allow the transfer of carriage permits within the licensee or from other licensees. The Mayor explained that a flat number may be difficult for large companies verses the smaller

companies. Last year, the average number of carriages on the streets was 35 for all seven (7) vendors per night. The Mayor suggested a percentage can be used to limit the number of carriage rides. Council Member Dowler asked if there is competitive bidding for each carriage, making sure there are no advantages to small or large companies. The Mayor said that she spoke to several people who utilized the carriage service and the feedback she received was patrons choose the same carriage vendor each year, their selection is not driven by price, but rather who they know and who they have used in the past. The Mayor asked Bill Lindley, Town Administrator, if there is a fee per ride that the Town receives. Mr. Lindley confirmed there is a franchise fee of 5% per ride. Council Member Grisham recommended that each vendor be limited on how many rides they can provide per day or per season. Council Member Novakov asked if the carriage vary in size and capacity of how many patrons they can hold. Mr. Lindley confirmed that it is correct some only hold two (2) while other can hold up to fifteen (15). Council Member Novakov asked are there certain routes and times that should be outlined and how many carriages are safe on those routes. Council Member Myers agreed with Council Member Novakov and added data is needed to review how many people utilize the carriage service. This data will help allocate routes and carriages to remove empty carriages from the streets. The Mayor stated instead of telling carriages where to go, the Town can tell them which routes to avoid. Council Member Grisham stated he believed limiting the number of carriages on a pro-rata basis would lead to lower number of carriage rides on the streets. Council Member Novakov asked if the goal was to decrease the number of carriages or increase the organization of the carriages' routes on the streets. Council Member Grisham agreed with Council Member Novakov but added it would be more difficult to monitor the organization than to lessen the amount of carriages. Council Member Penfold agreed with Council Member Grisham and added that where the carriages go is depended on the light displays and that changes year to year. He stated that the carriage rides are special celebration of the holidays and recognizes patrons enjoy this service; however, limiting rides to 32 carriages per night may help congestion of the streets. The Mayor suggested using a percentage to cater for larger or smaller vendors, perhaps 10% reduction to each company to see how it works. Council Member Novakov asked if there were any organization to where each carriage is traveling. Chief Sandman confirmed each vendor provides the Town with a map of where they plan to travel, and they make small adjustments when areas are congested.

The Mayor asked to hear from Mr. Jaksch and Mr. High on their thoughts about the decisions discussed by Town Council. Mr. Jaksch stated that adjusting the operating hours will work well. He also agreed on the insurance decision and reaffirmed the importance of safety. He stated that his company has an online portal where people can reserve carriages. He was able to confirm by the data from the registration portal that 50% to 60% of customers are from Highland Park. Mr. Jaksch stated that he is open to change; however, this year, due to COVID-19, families have been canceling vacation and forgoing gatherings. Customers have expressed to Mr. Jaksch that they are excited about the season because this is the only time they have had a chance to get together with their friends and families, and by limiting the number of carriages there will be many unhappy patrons, unable to make a reservation. Mr. Jaksch predicts this will turn into a bad outcome. He suggested if a limit must be made, perhaps a range between 40 to 50 rides a day. He recommended to not make any great changes this year. He also stated that Chief Sandman has done something that no one has done, and that is schedule time for all the vendors to get together and discuss areas of opportunity. These meetings can continue and perhaps come up with a solution to the congestion for next year. The Mayor asked about his comment about the 40 to 50 range, because the Town Council was told an average of 35 rides per day were completed last year. Mr. Jaksch clarified that

he did not have the actual data. He was going by what he has discussed with other horse carriage companies on purchased permits. The Mayor replied that Town Council was reviewing the data of the purchased franchise fees, since not every permit is utilized. The Town Council is not proposing to go from 50 to 32, but from 35 to 32. Mr. High further clarified between Mr. Jaksch and Mr. High's companies, they had 32 carriage rides on the streets in one (1) night. He confirmed with Mr. Jaksch's previous statement, he was unsure how their company would be able to control the frustration patrons may feel trying to reserve a carriage ride when they are limited. Council Member Grisham and Council Member Myers agreed there would like to see data from the horse carriage companies on occupancy and how many rides are completed each day then review for next year. The Mayor also agreed and stated that the data the Town Council has does not match with the horse carriage companies data. The Mayor asked if the Town Council would agree to update the ordinance for next year after they receive and review data from this year. Town Council agreed and Council Member Penfold added that the Town respects the horse carriage companies and all they offer the Town and the patrons. He further clarified that he would like to continue the focus on safety and work together with the horse carriage companies to come to a solution.

The Mayor and Town Council agreed to only modify the suggested new hours of operation this year. It was agreed that the horse carriage companies will produce accurate data on how many patrons and rides given each day. Town Council will then review the data around the beginning of the year 2021 and discuss any modifications to the ordinance if efforts to reduce traffic. On a motion made by Mayor Pro Tem Dowler, seconded by Council Member Grisham, the Town Council voted unanimously to approve amending the Code of Ordinances for the hours of operation of horse-drawn carriages.

Reports

Review and discuss the Financial and Investment Report for the period ending July 31, 2020. Karen Kurtin, Controller, explained the report. This report is for the period ending July 31, 2020, which marks the completion of the tenth month of the 2020-21 fiscal year. Therefore, the year-to-date percentage for budgetary comparison purposes is 83.3%. General and Utility Fund combined revenues as of July 31, amount to \$31,239,683, which is 84.6% of the annual budgeted amounts. As of July 31, the General and Utility Fund combined expenditures and encumbrances amount to \$27,643,681 or 74.3% of the Fiscal Year 2019-20 Combined Budget. The total market value of the Town's cash and investment portfolio on July 31, was \$39,861,366, yielding an average weighted return of 0.70%, with an average maturity of 70 days. Property taxes are 107.9%, sales taxes are 97.1%, and building permit revenue are 97.9% year to date. The Mayor asked if the Town was able to see a portion of the sales tax that comes from online purchases and has that number increased. Mr. Alexander stated he does recall seeing an increase and can get an exact figure. The Mayor clarified that an exact figure is not necessary, she expected an increase to online purchases due to COVID-19. The Mayor asked for any questions from the Town Council, to which there was none.

Mayor Goodwin adjourned the study session at 9:35 a.m.

APPROVED on this 20th day of October 2020.

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Joanna Mekeal
Town Secretary