

MINUTES OF AN ONLINE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD VIA VIDEOCONFERENCE, AT 8:09 A.M. ON TUESDAY, SEPTEMBER 1, 2020.

Prior to the study session, Tempest Brunson, Town Services Coordinator, 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. Brunson 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

**Consent**

*Review and discuss an ordinance amending the Fiscal Year 2019-20 Adopted Budget.* Karen Kurtin, Controller presented the briefing. This agenda item provided an opportunity for the Town Council to review and discuss proposed amendments to the Fiscal Year 2019-20 Adopted Budget. These amendments are related to the following three funds: the General Fund, Technology Replacement Fund, and the Building Replacement Fund. COVID-19 purchases that have been incurred or that are expected to be incurred at year-end total \$200,211 from the General Fund and are funded through the CARES grant funding that is being administered by Dallas County. Council Member Penfold asked what types of expenditures were included in Non-Departmental, which is part of the General Fund. Ms. Kurtin explained those expenditures were primarily related to the four (4) Wello temperature checking machines in the Town Hall building and the Service Center; legal expenses; and the Microsoft Surface HUB Communication System. The Mayor asked if there were any other questions, to which there were none.

FUTURE AGENDA DISCUSSION

*Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2020-21.* Steve Alexander explained the briefing. As discussed at the last study session regarding the Proposed Budget for Fiscal Year 2020-21, the Dallas Central Appraisal District (DCAD) provided a certified roll on August 20, 2020. As anticipated, the certified roll total taxable assessed value (T.A.V.) was \$6.634B. However, of that amount, \$339M remained in dispute at that time. This is the highest amount of disputed value outstanding at the time of certification that the Town has experienced, in at least the last five years, and is over three times the next highest amount. DCAD estimates that the Town's final tax roll will include 70% of the \$339M in disputed values. This will result in a lower TAV, by roughly \$100M, and lower property tax revenues by \$288,000 as compared to the Proposed Budget. To address this issue, staff proposed to (i.) incorporate the new property tax revenue amount calculated using the preliminary tax rate of 23 cents and the certified roll including DCAD's estimate related to disputed values. (ii.) The revised property tax revenue projection for Fiscal Year 2020-21 not only effects the Proposed Budget, but also impacts future anticipated revenues because the 10-Year Financial Model incorporates an annual 3.5% growth rate of TAV for financial planning purposes. To address the resulting lower property tax revenues in future years, Town Staff proposes reducing projected increases in payroll expenditures for three fiscal years following Fiscal Year 2020-21. Staff is also considering postponing the additional

contributions to TMRS for the next two years. This is a voluntary contribution, and not required on the part of the Town. Staff fully intends to make up the contribution as revenue comes in this year and the next. The Mayor asked for any other questions, to which there were none.

*Review and discuss a proposal to enter into a professional services agreement with the Texas Coalition for Affordable Power and a Commercial Electric Service Agreement with Gexa for power to be provided on and after January 1, 2023.* Steve Alexander explained the briefing. The Town's existing five-year contract to purchase power through the Texas Coalition for Affordable Power, Inc. ("TCAP") ends on December 31, 2022. This item is provided as an opportunity for the Town Council to consider moving from a fixed-rate contract to a Strategic Hedging Program (SHP) contract for the purchase of electricity related to Town operations. Mr. Alexander introduced Margaret Somereve, TCAP representative, to make the presentation and receive questions. Since TCAP closely monitors electricity rates and the Electric Reliability Council of Texas ("ERCOT"), there may be months when demand will stretch the resources. Under SHP, purchasing electricity in those months would be avoided and when prices return to a lower and stable level, additional purchases would be made to cover the months passed over. The Mayor commented that knowing costs for power, flexibility is the new normal for purchasing power. The Mayor then asked if the Council for questions. Mayor Pro Tem Dowler commented this process has merit and appears to a stable way to proceed. Council Member Novakov agreed. Mayor Pro Tem Dowler adding there is possible volatility of the market with the upcoming elections. Ms. Somereve added that the future battery backup system will aide in stabilizing costs. There is an energy consultant that also watches the market for TCAP and makes recommendations. The Mayor asked for any comments, to which there were none.

## REPORTS

*Review and discuss the improvements for Fairfax Park.* Kirk Smith, Assistant-Director of Town Services, explained the briefing. This item is provided as an opportunity for the Town Council to provide direction on the type of surfacing for the concrete walking path around the playfield. As directed by the Town Council at the study session on April 21, 2020, the finished surface was to be decorative concrete. Staff worked with John Armstrong, Landscape Architect, on the design of the pattern and color of the concrete. Mr. Smith introduced Mr. Armstrong to allow for questions from the Council. Mr. Armstrong provided a presentation. The Mayor commented that the acid-etched concrete, provided as an example, looks like concrete laid 100 years ago. Mr. Armstrong agreed noting stamped concrete is not timeless, unlike the acid-etched concrete. Council Member Grisham asked if the acid-etched concrete would be slippery, to which Mr. Armstrong explained the etching creates a grip, instead of a slick surface. Mr. Armstrong explained the roundabout-type locations where walkways intersect. There will be stone sitting areas/ benches and they will be topped with Pennsylvania greenstone or the white stone found in nearby creeks. Mayor Pro Tem Dowler asked Mr. Armstrong for renderings of the proposed benches, to which staff agreed to provide. The Mayor explained that staff is building standards that will be Town-wide. The aesthetic decisions made on Fairfax Park will be carried to all Town park spaces. Bill Lindley, Town Administrator, explained the next steps for this project and the Mayor and Council agreed the direction of staff for this project.

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: USAI, LP v Town of Highland Park (Cause No. DC-20-08213).*

2. *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: McCullers v. USAI, et al. (Cause No. DC-18-08709).*

Mayor Goodwin recessed the study session at 9:22 a.m. and convened a closed session pursuant to: (1) Section 551.071 of the Texas Government Code to consult with and seek legal advice from the Town Attorney regarding pending or contemplated litigation: McCullers v. USAI, et al. (Cause No. DC-18-08709); and (2) Section 551.071 of the Texas Government Code to consult with and seek legal advice from the Town Attorney regarding pending or contemplated litigation: USAI, LP v Town of Highland Park (Cause No. DC-20-08213).

OPEN SESSION

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

No action, decision, or vote was taken on Open Session Item 1.

2. *Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item 2. above, shall be made, if any.*

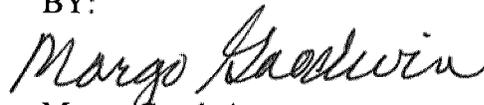
No action, decision, or vote was taken on Open Session Item 2.

Mayor Goodwin closed the closed session at 9:43 a.m. and reconvened the study session in open session. No final action, decision, or vote was taken during the closed session.

Mayor Goodwin adjourned the study session at 9:46 a.m.

APPROVED on this 15th day of September 2020.

BY:



Margo Goodwin

Mayor

Attest:



Tempest Brunson  
Interim Town Secretary

