

MINUTES OF AN ONLINE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD VIA VIDEOCONFERENCE, AT 8:38 A.M. ON TUESDAY, AUGUST 3, 2021.

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 online, or listened to by telephone, and gave the toll-free and alternate telephone numbers, as well as the access number for the public to call. Mrs. Mekeal conducted a roll call of the Town Council Members. Present at the meeting 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

Future Agenda Discussion

Review, discuss, and consider approval of an ordinance amending the Code of Ordinance, Article 12.06.004 Speed Limits in School Zones, to adjust the school zone in and around Armstrong Elementary School. Lori Chapin, Director of Engineering, stated this item is provided as an opportunity for the Town Council to review and consider adjusting the school zone for the Armstrong Elementary School. Included in the school zone remote monitoring system project, staff worked with the Town's traffic consultant, Kimley-Horn Associates, Inc. to review the signage in and around the schools within the Town of Highland Park. Upon review, the consultant identified a gap in the existing school zone in and around Armstrong Elementary. The Town's Department of Public Safety and the Highland Park Independent School District Public Safety have reviewed the addition and are in support of the change. Mayor Goodwin asked for questions or comments, to which there were none. On a motion made by Council Member Penfold, seconded by Council Member Novakov, the Town Council voted unanimously to approve of an ordinance amending the Code of Ordinance, Article 12.06.004 Speed Limits in School Zones, to adjust the school zone in and around Armstrong Elementary School.

ORDINANCE NO. 2082

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE TOWN OF HIGHLAND PARK, CHAPTER 12, TRAFFIC AND VEHICLES, ARTICLE 12.06 SPEED REGULATIONS, SECTION 12.06.004 SPEED LIMITS IN SCHOOL ZONES, BY AMENDING THE SCHOOL ZONE TIMES AROUND ARMSTRONG AND BRADFIELD ELEMENTARIES; PROVIDING A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Review, discuss, and consider approval of an ordinance amending the Code of Ordinances, Article 12.07.084 Parking or Standing During Certain Hours. Lori Chapin, Director of Engineering, explained this item is provided as an opportunity for the Town Council to review and consider amending No Parking signs located in and around Bradfield Elementary School ("Bradfield"). Currently, motorists are stopping along Armstrong Parkway and Southern Avenue which impede the flow of traffic during peak pick-up and drop-off times. The signs currently only address the No Parking restrictions; they do not prohibit stopping or standing. The Highland Park Department

of Public Safety (“HPDPS”) is unable to properly enforce traffic movement through the area. This ordinance will amend the verbiage in the ordinance to prevent motorists from stopping, standing, or parking. Mayor Goodwin and Council Member Penfold inquired as to how Bradfield staff and parents will respond to the change of the restrictions. Bill Lindley, Town Administrator, explained the request is initiated by the Highland Park Independent School District (“School District”) in efforts to safely manage the loading and unloading of children, and Town staff will request the School District provide information to the parents. Ms. Chapin added, Town staff has worked closely with Bradfield staff on the issue and Bradfield staff prefer parents drive to the designated queue lane rather than parking or stopping along the road. Ms. Chapin added, a map will be given to Bradfield staff to provide to parents as a guide to the appropriate queuing location. On a motion made by Mayor Pro Tem Dowler, seconded by Council Member Grisham, the Town Council voted unanimously to approve of an ordinance amending the Code of Ordinances, Article 12.07.084 Parking or Standing During Certain Hours.

ORDINANCE NO. 2083

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE TOWN OF HIGHLAND PARK, CHAPTER 12, TRAFFIC AND VEHICLES, ARTICLE 12.07, STOPPING, STANDING AND PARKING, SEC. 12.07.084 PARKING OR STANDING DURING CERTAIN HOURS; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Discuss and review the continuation of an interlocal agreement with the Highland Park Independent School District to provide funding for School Based Law Enforcement officers at Armstrong Elementary School and Bradfield Elementary School. Paul Sandman, Director of Public Safety, explained the item is a follow up from the discussion held on July 20, 2021, at the Town Council study session. The Town of Highland Park's Fiscal Year 2022 Operating Budget provides funding for two School Based Law Enforcement (“SBLE”) officers employed and supervised by the Highland Park Independent School District (“School District”). The purpose of the program is to provide SBLE officers at Armstrong Elementary School and Bradfield Elementary School during defined time periods, in addition to other School District related security duties. The SBLE officers are provided the opportunity to join Highland Park Department of Public Safety training and certification courses. The agreement was written with similar language as the current school crossing guard agreement between the Town, the School District, and the City of University Park (“City”). Funding for the initial year of the agreement included the outfitting of uniform clothing, weapon(s), and other related personal equipment. In addition, the agreement includes that the Town will provide two used patrol vehicles annually, and the School District is responsible for their cost of operation, insurance, and maintenance. Council Member Penfold stated when reading the agreement, he noticed the title Peace Officers and inquired the difference between Peace and Public Safety Officers. Chief Sandman explained a certified Peace Officer is licensed and commissioned by the State and Department. Peace Officers must complete State mandated training. Council Member Novakov inquired if the SBLE officers attend trainings when offered by the Town, and do the officers attend after hour school events. Chief Sandman confirmed SBLE officers historically attend all trainings offered, and the agreement includes SBLE officers be present at after school and late-night events. Mayor Goodwin asked if there were any further questions, to which there were none.

Review and discuss awarding the Town's employee health insurance plan for Fiscal Year 2021-22 to medical, dental, and vision insurance plans to Cigna. Steve Alexander, Director of Administrative Services and Chief Financial Officer, explained over the last few months, Town staff worked with Lockton-Dunning Benefits consultants ("Lockton") to conduct a competitive sealed proposal process related to medical and dental insurance. When reviewing the bids, Town staff and Lockton narrowed the selection down to two carriers, United Healthcare and Cigna. After careful consideration of the bids received and related plans offered, bundling medical, dental, and vision insurance with Cigna offers the greatest benefit to the Town and employees. Maintaining medical insurance with Cigna and incorporating dental and vision allows significant savings, 7% reduction, to be captured while minimizing administrative and service disruptions that typically result from changing carriers for medical insurance. In response to a question from Council Member Myers, Mr. Alexander explained Town staff has utilized both UHC and Cigna in the past. Currently, Town staff carries Cigna as the health insurance provider. Mayor Goodwin asked if the fees that are paid to Lockton are reimbursed in the savings with selecting the appropriate insurer. Mr. Alexander confirmed and explained that Lockton has proven to be effective every year in negotiating rates lower than the original offer. Mayor Goodwin asked if there were any further questions, to which there were none.

Review and discuss engaging Weaver and Tidwell, L.L.P. as the Town's independent auditor to conduct the annual audit for the fiscal year ending September 30, 2021. Karen Kurtin, Controller, explained over the past six years, BKD, L.L.P. has conducted the Town's independent audit of its financial statements. As matter of good business practice, the Town desires to rotate auditors periodically. During Fiscal Year ("FY") 2020-21, staff conducted a request for proposals from external accounting firms to provide independent auditing services. The process sought proposals from firms based on the premise that the company chosen would conduct the FY 2020-21 audit with the opportunity to conduct the Town's audit for the following four-year period, subject to annual approval by the Town Council. A total of five firms submitted proposals through the process. Based on a review of the proposals submitted, staff recommends the Town Council consider Weaver and Tidwell, L.L.P. be engaged to conduct the annual audit for FY 2020-21. The Town has worked with Weaver and Tidwell, L.L.P. in the past and was satisfied with their auditing work. Upon approval by the Town Council, staff is prepared to allow the firm to begin the audit process for FY 2020-21. Mayor Goodwin asked if there were any questions, to which there were none.

Reports

Review and discuss the Town of Highland Park's water distribution system. Lori Chapin, Director of Engineering, explained the Town of Highland Park ("Town") receives pressurized potable water directly from the Dallas County Park Cities Municipal Utility District ("Water District"). The Town's Holland Avenue elevated storage tank ("Holland EST") and Gillon Avenue underground storage tank and pump station assist in boosting and maintaining water pressure throughout the day. As discussed previously with the Town Council, while the Water District adequately supplies pressurized water to the Town for distribution, some residents have experienced lower pressures in the northeast portion of Town during hours of peak demand. Impacting the delivery of pressurized water was the replacement of the Gillon-Abbott elevated storage tank with the Gillon underground storage tank and pump station in the late 1980's. While developing the Water Master Plan and updating the Capital Improvement Plan, Town staff has also reviewed options for

increasing minimum high demand pressure. In the northeast part of the Town, approximately 940 homes experience lower pressure, under 50psi and as low as 35psi during peak demand. The desired target minimum peak demand pressure is 50psi. Ashlyn Morgan, representing Kimley-Horn and Associates, explained several options have been evaluated to improve the minimum peak demand pressure. The options include: (i) The City of University Park ("City") Connection option which entails separating a portion of the northeast part of Town and creating a new pressure plane. A pressure plane is a zone of the water system separated from other areas of the water system with its own pump station(s) and tank(s) that maintain optimal water pressure. This pressure plane would be served via a new waterline connection with the City. (ii) Dallas Water Utilities Connection option also includes the creation of a separate northeast pressure plane. The pressure plane would be served via a waterline connection with Dallas Water Utilities ("DWU"). (iii) Re-configure the Gillon Avenue underground storage tank and pump station option to include the creation of a separate northeast pressure plane. A cross town dedicated water line from the Water District would be constructed to fill the Gillon Avenue underground storage tank. Additional improvements include a new discharge line, pumps, road repairs, and a pressure tank to assist with demand. (iv) The Holland EST option requires the tank to be rehabilitated or replaced due to its age, approximately 80 years old, and condition. Proceeding with this option entails the Town replacing the current 750K gallon steel elevated water storage tank with a 1M gallon concrete elevated water storage tank. While this option may not achieve the desired target minimum of 50 psi, it will improve pressure and may eliminate the need for future low-pressure projects. Additionally, aging infrastructure continues to be replaced with the Water and Sewer Infrastructure rehabilitation/replacement program, which may also help to improve pressure in the northeast part of Town. Town staff recommends revising the Capital Improvement Plan by removing the rehabilitation of the Holland EST, adding the design of a new Holland EST for FY 2022, and adding construction funds for FY 2023. In response to questions raised by Council Member Penfold, Ms. Morgan explained, re-configuring the Gillon Avenue underground storage tank and pump station option would require roughly two miles of 24-inch water transmission line. The Holland EST was thoroughly inspected last spring and it was discovered there is lead paint on the tank. The cost of rehabilitation with the style of Holland EST and lead paint is a significantly higher cost than to replace it with a modern composite tank. Bill Lindley, Town Administrator, explained the Holland EST will require replacement in the near future. Mayor Goodwin added it is a cost benefit to the Town to replace Holland EST sooner rather than later. Mayor Goodwin asked there were any questions, to which there were none.

Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2021-22. Steve Alexander, Director of Administrative Services and Chief Financial Officer, explained over the last several months Town staff has been developing the Proposed Budget for Fiscal Year 2021-22. The Proposed Budget for Fiscal Year 2021-22 was provided to the Town Council, the Finance & Audit Advisory Committee, and the Town Secretary on July 30, 2021. Mr. Alexander welcomed any comments or questions relating to the Fiscal Year 2021-22 Combined Operating and Capital Budget ("FY 2022 Budget"). The proposed Capital Improvement Plan ("CIP") presents the current fiscal year and models the following 10 Years of projects along with anticipated available funding. Trend assumptions related to financial modeling for the CIP have been provided. Staff recommends that the Town Council review the Proposed Budget and CIP and provide direction to Staff as appropriate.

Mr. Alexander provided a summary of the FY 2021-22 Proposed Combined Budget. He explained fund reserve balance requirements set in the Town's financial policy where applicable, are met. The Combined Operating and Capital Budget in the amount of \$43.4 million is comprised of the Operating Budget (\$30.1 million) and the Capital Budget (\$13.3 million). The Operating Budget funds the Town's operations and maintenance expenditures through the General Fund, the Utility Fund, the Solid Waste Fund, the Storm Water Fund, and other Funds. The Capital Budget funds long-term improvements such as roads, bridges, parks, and equipment through the Capital Projects Fund, the Utility Fund and the Storm Water Fund, as well as other Funds. Mr. Alexander summarized the changes in the Town's key revenue sources from the current to the proposed budget. These include building inspection fees and permits, municipal court, franchise tax, solid waste, sales tax, water and wastewater, and property tax. Property taxes at an aggregate tax rate of \$2.02174 are composed of Town of Highland Park (11%), Highland Park Independent School District (57%), and Dallas County (32%). Mr. Alexander demonstrated different tax reduction scenarios and the overall foregone revenue impact. Water Consumption overall has been decreasing as rainfall continues to increase. Overall, operational costs are projected to increase by 1.30%, comprised of the General Fund (1.36%) and Utility Fund (1.12%).

Mr. Alexander summarized the Capital Improvement Plan ("CIP") financial model, which included key assumptions including: (i) the Town's tax rate remaining constant at 23 cents per \$100 Taxable Assessed Valuation ("TAV"), (ii) TAV is projected to grow at a rate of 3.5% above FY 2021 – 22, (iii) sales tax revenue is projected to return to normalized levels after the lower levels experienced in FY 2020 due to COVID-19, (iv) water and wastewater rates adjustments of 4.75% (rate may change based on results of the rate study) are projected every other year with FY 2021-22 being a rate adjustment year, (v) investment yield projected at 2.0%, (vi) DART funding through the Transit Related Improvement Program ("TRIP") has been included. CIP projects and the percentage dedicated to the financial plan includes: (i) roads and bridges at 62.8%, (ii) water and sewer improvements at 24.5%, (iii) drainage facility improvements at 7.3%, (iv) Hackberry Creek at 6.0%, (v) water tank replacement at 4.8%, and (vi) park improvements at 3.7%. Council Member Penfold referred to the Hackberry Creek project budgeted in prior years and asked if the funds are carried forward in FY 2022 Budget. Mr. Alexander confirmed that is correct. In response to a question made by Council Member Myers, Mr. Alexander explained there are two components when discussing merit pay: (i) pay for performance is up to 6% each quarter for hourly full-time employees, but it is not added into base pay, and (ii) merit-based performance adjustment is up to 3.5% for all employees at one-time annual pay adjustment that will be included in base pay. In response to a question asked by Mayor Pro Tem Dowler, Mr. Alexander stated the average score of the pay for performance amongst the recipients is approximately 5.4%.

Mr. Alexander encouraged Town Council Members to contact him for any questions they may have. Mayor Goodwin asked if there are any further comments, to which there were none.

Mayor Goodwin adjourned the Town Council meeting at 10:26 a.m.

APPROVED on this 17th day of August 2021.

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Joanna Mekeal
Town Secretary