

MINUTES OF A STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD AT TOWN HALL, 4700 DREXEL DRIVE, HIGHLAND PARK, TX, 75205 AT 8:12 A.M. ON TUESDAY, NOVEMBER 1, 2022.

Present at the meeting were Mayor Will C. Beecherl, Mayor Pro Tem Craig Penfold, and Town Council Members Marc Myers, Lydia Novakov, Don Snell, and Leland White.

Future Agenda Discussion

Review and discuss an ordinance authorizing and allowing Cost of Living Adjustments and Updated Service Credits through the Texas Municipal Retirement System, effective January 1, 2023. Steve Alexander, Director of Administrative Services and Chief Financial Officer, explained the Texas Municipal Retirement System ("TMRS") offers participating cities the opportunity to provide a Cost-of-Living Adjustment ("COLA") to retirees at 30, 50, and 70 percent of the change in the Consumer Price Index ("CPI"). An Updated Service Credit ("USC") can also be provided to active employees at 50, 75, and 100 percent of the changes to an employee's salary and any changes the Town has made to its TMRS plan over the employee's career. The Fiscal Year 2022 - 2023 ("FY 2023") Adopted Budget includes funding to provide a COLA for retirees at 50% and an USC for Town employees at 75%. In response to questions raised by Mayor Beecherl and Council Member Myers, Mr. Alexander explained under statutes that govern the TMRS, when a COLA is approved, an USC must also be provided. The benefit adjustments are commonly provided by the Town's comparison cities. The Town has traditionally elected to provide these changes on an ad hoc basis to avoid large actuarial adjustments associated with a recurring plan. The last time the Town approved changes to the COLA was in Fiscal Year 2007 - 2008, and the USC in Fiscal Year 2019-2020. Mayor Beecherl inquired to review the ordinance that included the USC and Mr. Alexander confirmed it would be provided. Mr. Alexander further explained that it is important to note that when a Town or City provides these adjustments on an ad hoc basis and approves multiple adjustments within a five-year timeframe, the Town's pension liability is calculated as if it provides the specific benefit on an automatically repeating basis. As such, actuaries for TMRS will view the USC provided this year as "substantively automatic" until Fiscal Year 2025, at which time the benefit will return to being viewed as provided on an ad hoc basis. This has the effect over the next two years of increasing the Town's overall pension liability and reducing the amount of the liability that is funded as presented in the Town's annual financial statements. It is projected that the Town's unfunded actuarial liability will be \$9.2 million, of which \$1.8 million is directly related to the substantively automatic rule. Currently, the Town's unfunded liability is \$2.1 million. Town staff is working with TMRS and the Town's independent auditors to allow the Town to present its pension liability without the USC being considered substantively automatic which would lower the unfunded liability and increase the funding ratio. Alternatively, the Town could reduce the USC to 50%. This would result in a lower impact to unfunded actuarial liability by approximately \$1.4 million and increase the anticipated funded ratio from 90.4% to 91.7%. In response to a question raised by Council Member Myers, Mr. Alexander stated providing the COLA and the USC as Adopted in the FY 2023 Annual Budget, results in an increase to the Town's pension cost of approximately \$511,279. The financial impact is not fully recognized until the following fiscal year (FY 2024) as the new rate that will reflect this benefit adjustment does not begin until January of 2023. The total annual impact, once fully recognized, will be approximately \$690,000. The Town's contribution rate changes from 8.48% of payroll to 12.92%. Mayor Beecherl asked if there were any further questions, to which there were none.

Reports

Review and discuss landscape and pedestrian accessibility improvements for the Teddy Bear Garden at Lakeside Park. Lori Chapin P.E., Director of Engineering, explained that this item is scheduled to provide the Town Council with an update on the Teddy Bear Garden (“Bears”) project. The purpose of this project is to provide better access to the Bears in Lakeside Park and eliminate confusion for visitors who frequently access the Bears via the alley servicing Willow Wood Circle. Bill Lindley, Town Administrator, added that the project was initiated in response to concerns by the adjoining residents. The current layout provides limited access to the area, often leading visitors to wander through the neighborhood and onto private property. Ms. Chapin explained that staff met with two of the adjoining Willow Wood Circle property owners in April and July 2022 during the design process. The residents provided information regarding the congestion in the area and possible options for alternate access to the Bears from Lakeside Drive. Kimley-Horn, engineer consultant, has designed an improved pathway connection to the Bears. In addition, Armstrong–Berger Landscape Architects, prepared landscaping enhancements. The design includes the pathway to the Bears, as well as enhanced landscaping and hardscape improvements in and around the area. The project will include point repairs to the arched stone footbridge. The pathway design mimics the Exall Pedestrian Bridge design utilizing the IPE wood for the cross bars and decking, as well as the airline wire for the railing. Landscaping has been added along the sidewalk and the alley. Current access to the Bears is provided from the alley at two locations. The eastern access point along the alley will be removed, allowing for access to the Bears via the new pedestrian pathway from the Exall Pedestrian Bridge. Mayor Beecherl asked if there were any questions. Michael Lewis, 8 Willow Wood Circle, stated he appreciated the proposed plan and suggested removing a sidewalk or adding a chain fence to prevent visitors from wondering too close to private residences. Mayor Beecherl asked if there were any further questions, to which there were none.

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 to receive legal advice from the Town Attorney regarding structures in front yards and Ordinance No. 2080.
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: USAI, LP v. Town of Highland Park (Cause No. DC-20-80213).

Mayor Beecherl recessed the study session at 9:16 a.m., and convened a closed session at 9:20 a.m., pursuant to: (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 to receive legal advice from the Town Attorney regarding structures in front yards and Ordinance No. 2080; and (2) pending or contemplated litigation: USAI, LP v. Town of Highland Park (Cause No. DC-20-80213).

Mayor Beecherl ended the closed session at 9:51 a.m., and reconvened the study session in open session at 9:51 a.m. No final action, decision, or vote was taken during the closed session.

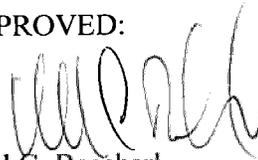
OPEN SESSION

1. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item 1. above, shall be made, if any. No motion was made.
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 motion was made.

Mayor Beecherl adjourned the study session meeting at 9:52 a.m.

APPROVED on this 6th day of December 2022.

APPROVED:



Will C. Beecherl
Mayor

ATTEST:



Joanna Mekeal
Town Secretary