

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 8:19 A.M. ON TUESDAY, AUGUST 15, 2023.

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

Future Agenda Discussion

Review and discuss the proposed reconstruction of Tennis Court #1 in Prather Park. Chelsey Gordon, Assistant Director of Development Services, explained that Kimley Horn Associates (“Kimley Horn”) had provided three design options for reconstructing Tennis Court #1 in Prather Park. As discussed during the Town Council Study Session on February 7, 2023, the Hackberry Creek Project calls for Tennis Court #1 reconstruction. Converting Tennis Court #1 into multiple pickleball courts was discussed due to continued interest from the community for dedicated pickleball courts. The three design options were presented: (1) a tennis court measuring 120’ by 60’; (2) three pickleball courts measuring 62’ by 96’; and (3) four pickleball courts measuring 62’ by 128’. Ms. Gordon noted that Option 3 would allow for a more straightforward conversion back to a tennis court if later desired. All three options include upgraded lighting and bench seating. The pickleball courts are designed to have a four-foot-tall ball stop fence with a windscreen between each court. Fencing around the perimeter of the entire court will be graduated to ensure unobstructed views of the park. In response to a question raised by Council Member Snell, Ms. Gordon confirmed that all three options were similar in cost, approximately \$650,000, with Option 2 being the least expensive. Ms. Gordon added that the project is scheduled to begin construction in FY 2025; however, if the Council desires, the project could be rescheduled to begin construction in FY 2024. In response to a question raised by Mayor Beecherl, Steve Alexander, CPA, Director of Administrative Services and Chief Financial Officer, confirmed that the modification to the FY 2024 budget can be made to include \$650,000 for the project. All Town Council Members favored rescheduling the project to the FY 2024 budget and implementing design Option 3.

Review and discuss conceptual plans and timeline for Lakeside Park Improvements. Chelsey Gordon, Assistant Director of Development Services, reviewed the initial design plans for Lakeside Park Improvements presented to the Town Council on June 20, 2023, and updated the Council on the project's progress. Staff developed a construction timeline to minimize potential inconveniences to the surrounding neighborhood and capitalize on cost savings from fencing still in place from the 30" Wastewater Interceptor and Lakeside Drive Reconstruction project. The construction is expected to be completed in approximately six months from its start date. Town staff is procuring an irrigation audit to assess the current irrigation system and plan for necessary upgrades, as well as pruning park trees to open the tree canopy in more densely shaded areas, creating a model environment for new landscaping that will be installed during the construction phase of the project. In response to questions raised by Council Member Novakov, Ms. Gordon confirmed that the residents in the surrounding neighborhood will be notified of the construction, and the east side entrance of the park will be closed. Tobin Maples, Town Administrator, added that a resident requested staff research opportunities to help the birdlife in this area, including educational signs and designating a feeding zone. This resident offered to fund any efforts to assist the birdlife. All Town Council Members favored the proposed conceptual plans and timeline for Lakeside Park Improvements.

Review and discuss 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. Chuck McGinnis, Assistant Chief of the Department of Public Safety, explained that two School Based Law Enforcement ("SBLE") officers are employees of and are supervised by the Highland Park Independent School District (the "District"). The purpose of the interlocal agreement ("Agreement") is to provide SBLE officers at Armstrong Elementary School and Bradfield Elementary School ("Schools") during defined time periods, as well as maximize a law enforcement presence on the two campuses. Chief Paul Sandman, Director of Public Safety, and the HPIPSD police chief have revised the content of the ILA to concentrate the focus on maximizing a police presence on the grounds of the Schools during regular school hours when students are present. SBLE officers will continue to have complimentary access to such Town facilities as its classroom and gun range areas. While renewable annually, the Agreement is for a one-year period and subject to cancellation with provisions for written notice. Consistent with the Town Council's direction during the program's initial development, the Agreement provides for the Town to fund the salary and related benefits for the two SBLE officers. In addition, the Agreement allows the Town to provide two used patrol vehicles annually, with the District responsible for their cost of operation, insurance, and maintenance. In response to a question raised by Mayor Beecherl, Assistance Chief McGinnis explained that the Highland Park logo is removed before the car is provided and they are not allowed to use it for personal use.

Review and discuss awarding the Town's employee health insurance plan for Fiscal Year 2023-24 for medical, dental, and vision insurance plans to Cigna. Steve Alexander, CPA, Director of Administrative Services and Chief Financial Officer, explained that Town staff worked with Lockton-Dunning Benefits over the last few months to complete negotiations with Cigna for FY 2024 premiums. Through those negotiations, Cigna's premiums for medical benefits are reduced by 2%. The Town's loss ratio for medical benefits is relatively low, warranting the drop in cost. In response to a question from the Mayor, Mr. Alexander explained that Lockton-Dunning Benefits advised staff not to bid on insurance this year because premiums are being reduced, and it is best to be more selective when it is decided to receive bid offers. Mayor Beecherl recommended including the employee Wellness Program participation results next time the Town receives bids for health insurance. Dental benefits are increasing due to a high loss ratio experienced over the last year. The Town's portion of the cost that the Town funds is directly tied to the Dental Health Maintenance Organization, which is only growing by 2.5%. Two other plans for dental are Preferred Provider Organization plans that employees can buy into at their own cost. These plans are growing by 9%. The majority of employees participate in these two plans. Based on the different plans that employees are participating in, the weighted average increase in cost to employees is \$5.69 per month. Vision benefits remain the same. The Town does not fund any portion of vision benefits, and the cost is solely borne by the employee. The benefit structure for health, dental, and vision will remain the same for FY 2024, offering employees a base plan and options to purchase additional benefits at their expense. However, as required by federal regulations, the deductible for HSA high deductible health plans is increasing from \$2,800 to \$3,000 for individuals and from \$5,600 to \$6,000 for families.

Review, discuss, and consider a resolution denying the rate change proposed by Oncor Electric Delivery Company. Steve Alexander, CPA, Director of Administrative Services and Chief Financial Officer, explained that on June 29, 2023, Oncor Electric Delivery Company, LLC ("Oncor") filed an Application to Amend its Distribution Cost Recovery Factor ("DCRF") and

Update its Mobile Generation Riders to increase distribution rates within each of the cities in its service area. In the filing, Oncor asserts it is seeking an increase in distribution revenues of approximately \$152.78 million. Oncor also seeks to update its Rider Mobile Generation and Rider Wholesale Mobile Generation (“Ryder”) to recover mobile generation unit leasing and operation revenue. The Rider would recover approximately \$1.07 million. The purpose of the Resolution is to deny the DCRF application proposed by Oncor and authorize the Town to join with the Steering Committee of Cities Served by Oncor (“OCSC”) to evaluate the filing, determine whether the filing complies with the law and if lawful, to determine what further strategy, including settlement, to pursue. All cities with original jurisdiction must adopt the Resolution before August 28, 2023. On a motion made by Council Member Marc Myers, seconded by Council Member Don Snell, the Town Council unanimously voted to approve Resolution No. 004-23 denying the rate change proposed by Oncor Electric Delivery Company.

RESOLUTION NO. 004-23

A RESOLUTION OF THE TOWN OF HIGHLAND PARK, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC’S APPLICATION TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR AND UPDATE GENERATION RIDERS TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AUTHORIZING THE HIRING OF LEGAL COUNSEL; FINDING THAT THE TOWN’S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

Review, discuss, and consider approval of the designation of an acting Town Administrator. Tobin Maples, Town Administrator, explained that during circumstances when the Town Administrator is out of the office, the Town Charter (Section 4.02) provides for the designation of an acting Town Administrator, subject to approval by the Town Council. Mr. Maples requested to designate Steve Alexander, CPA, Director of Administrative Services and Chief Financial Officer, as the primary acting Town Administrator. In the event that Mr. Alexander cannot serve this role, the Director of Public Safety is designated as the alternate acting Town Administrator. On a motion made by Mayor Pro Tem Penfold, seconded by Council Member Don Snell, the Town Council unanimously voted to approve Steve Alexander as acting Town Administrator and the Director of Public Safety as the secondary acting Town Administrator.

Review, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council meeting agenda. The Mayor asked if any Town Council Member would like to request an item be placed on a future Town Council study session agenda for discussion or consideration. Mayor Pro Tem Craig Penfold requested to discuss opportunities to promote the Water Smart program. Council Member Leland White requested a high-level update on what legislation is doing as it relates to property tax reform. Mayor Beecherl added that updates on any new statutes affecting the Town may be beneficial.

Reports

Review and discuss the proposed Combined Operating and Capital Budget for Fiscal Year 2023-24. Steven Alexander, CPA, Director of Administrative Services and Chief Financial Officer, explained that each year the staff develops a proposed budget to submit to the Town Council for the next fiscal year. The budget ultimately adopted by the Town Council is the result of a process that receives input from the Town's citizens, departments, management, and the Town Council. Mr. Alexander presented an in-depth report that reviewed the FY 2023-24 proposed budget highlights, which included expenditures by type and fund, changes in key revenue sources, sources of revenues/percent changes from the current to the proposed budget, property taxes, change in estimated taxable values, sales taxes, water sales, impact of proposed adjustments to utility bill, inflation, change in operational budgets by departments, changes in operating budgets of personnel costs, compensation and benefits, structural changes to pay plans, and the capital improvement plan financial model. The Town Council asked clarifying questions throughout the presentation, to which Mr. Alexander was able to provide detailed information. Mr. Alexander encouraged the Town Council Members to contact him for any questions or suggestions they may have.

CLOSED SESSION

1. In accordance with the Texas Government Code, Section 551.074 – personnel matters – the Town Council will convene in closed session to deliberate the employment and duties of the Director of Public Safety.

Mayor Beecherl recessed the study session at 10:42 a.m. Mayor Beecherl convened a closed session at 10:45 a.m., pursuant to: (1) In accordance with the Texas Government Code, Section 551.074 – personnel matters – the Town Council will convene in closed session to deliberate the employment and duties of the Director of Public Safety.

Mayor Beecherl ended the closed session at 10:56 a.m. and reconvened the study session in the open session at 10:57 a.m. No final action, decision, or vote was taken during the closed session.

OPEN SESSION

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 was taken.

Mayor Beecherl adjourned the meeting at 10:57 a.m.

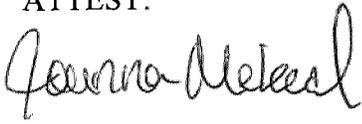
APPROVED on this 5th day of September 2023.

APPROVED:



Will C. Beecherl
Mayor

ATTEST:

A handwritten signature in black ink, appearing to read "Joanna Mekeal". The signature is written in a cursive, flowing style.

Joanna Mekeal
Town Secretary