

**CARROLLTON CITY COUNCIL
REGULAR WORKSESSION AND MEETING
NOVEMBER 17, 2015**

The City Council of the City of Carrollton, Texas convened in a Regular Worksession and Meeting on Tuesday, November 17, 2015 at 5:45 p.m. with the following members present; Mayor Matthew Marchant, Mayor Pro Tem Anthony Wilder, Deputy Mayor Pro Tem Doug Hrbacek, Councilmembers Bob Garza, Steve Babick, John Sutter, James Lawrence and Glen Blanscet. Also present were City Manager Leonard Martin, Assistant City Managers Marc Guy, Bob Scott, and Erin Rinehart, City Attorney Meredith A. Ladd and City Secretary Krystle Nelinson.

5:45 P.M. – COUNCIL BRIEFING ROOM

*****PRE-MEETING*****

Mayor Marchant called the meeting to order at 5:45 p.m.

6. Mayor and Council **reports and information sharing.**
1. Receive information and discuss Consent Agenda.

*****WORKSESSION*****

4. Discuss A Request To **Create A Public Improvement District** At The Southeast Corner Of Windhaven Parkway And Old Denton Road.

Asst. City Manager Marc Guy stated the use of Public Improvement Districts (PID) had become more common as a financing mechanism for land development. He advised that staff received a request from the developer of Castle Hills, Bright Realty, to create a PID on a tract of land that the developer is attempting to purchase. He stated the subject site was a 94+ acre tract currently zoned Light Industrial. The developer proposes a future phase of Castle Hills that would consist of single-family detached houses with approximately 320+ lots. The target price points were mid-\$300,000 to mid-\$500,000+ and the development would be served by Carrollton utilities and services. He explained that the PID is a mechanism for financing site improvements and that an annual assessment would be levied against each property / home owner which reimburses the developer for the cost of the site development. The home owner would still be required to pay the city, school and county taxes. He underscored that the city would be under no obligation or risk to reimburse the developer in the event of default, foreclosure or something of that nature. He reviewed the schedule of action noting the petition to create the PID was received on October 26 and the concluding action by Council would occur on January 19, 2016.

Mayor Marchant asked if there was any scenario where the City of Carrollton would be responsible for the debt or where the City's credit rating would be affected by the debt and Mr. Guy replied no. Bob Scott stated this particular PID would not issue debt nor have any debt associated with it. He stated it would be strictly what he called a reimbursement PID.

Councilmember Sutter asked about the amount of the debt to be incurred, the estimated cost per home owner and for how long. Marc Guy replied that the amount provided from Bright Realty was that \$11M was the associated development costs. Bob Scott stated staff was told just over \$1,800 a year in the annual assessment for 20 years and the present value of the payment at 6% came out to an assessment of approximately \$21,000.00.

Mayor Marchant asked about the tax rate for Castle Hills. Eric Stanley, Bright Realty, stated Castle Hills didn't have a city tax because it was located in the ETJ but the tax rate was calculated at \$0.95-\$1.00 so the combined tax rate would be about \$0.98. Mayor Marchant noted that Carrollton citizens pay a \$0.61 tax rate and the PID would allow anyone who lives in Castle Hills, whether inside the city limits or inside the District would essentially have the same tax rate and Mr. Stanley replied affirmatively.

Deputy Mayor Pro Tem Hrbacek asked if there would be another assessment when the infrastructure needs maintenance and City Manager Leonard Martin replied that the infrastructure would belong to the City. City Attorney Meredith Ladd advised that once the infrastructure is installed and accepted by the City through the normal process that any developer would follow, the City would accept it and take over maintenance responsibilities. She explained that it was an assessment paid by the land owner that's passed through the PID process that goes directly to the developer and paid out over time. She further explained that the PID cannot issue debt and cannot take on debt for additional assessments without approval by the Council. She advised that the Service and Assessment Plan (SAP) would include the total amount, time period and terms.

Councilmember Garza asked what would occur if a property foreclosed. Mayor Marchant stated the bank would have to pay it because it's like a mandatory HOA assessment. Ms. Ladd stated it could also attach as a lien on the property noting that it would be a secondary lien just behind taxes. Bob Scott stated that when the assessment is originally levied, a lien is placed against the property or a homeowner could roll the assessment into their mortgage.

Mayor Pro Tem Wilder asked when the expenditures from the PID were expected to end. Mr. Stanley stated the money for the development would be spent primarily before the first lot is sold to a builder. He clarified that the number would be finalized in the SAP approved by Council in January. Mayor Pro Tem Wilder asked how developers such as Arcadia fund their developments in Carrollton and Marc Guy responded that the City does not typically ask about funding as the information was proprietary and he stated there have been no other PIDs in Carrollton. Mayor Pro Tem Wilder asked Mr. Stanley why they were seeking this approach rather than the conventional method. Mr. Stanley talked about the land value, connection to Carrollton hike and bike trails, flood reclamation, and site terrain with about 55 ft of drop from Windhaven to the bottom based on the grading plans which would be mitigated to about 45 ft. He stated the PID is a repayment methodology that allows them to sale the lots for a price to the home builders can afford to buy the lot, build the house and sale it to a home owner and stay somewhere in the market. Mayor Pro Tem Wilder asked about the need for an advisory board and Marc Guy stated he didn't think an advisory board would be necessary because all of the improvements were being driven by the developer. Mayor Marchant felt buying in Castle Hills was a choice. Mr. Stanley stated the PID was a mechanism to try to keep the lot price which ultimately keeps the home price to something that can maintain some velocity; some edge against expected interest rate hikes, etc., and a return to the developer over 20 years rather than immediately.

Councilmember Sutter referred to the possibility that not all of the lots would sell and asked if those who bought a home would have just their portion or would have to assume the 50% of the others that weren't sold and the remaining amount of the PID to be paid. Meredith Ladd and Eric Stanley stated it would be a per lot assessment. Councilmember Sutter asked when the 20 year clock begins and Mr. Stanley replied that it begins when the SAP is approved and Ms. Ladd agreed. Bob Scott stated Bright Realty would be paying the assessment as long as they own the land.

Mayor Marchant asked about instances where there was a Water District and a PID. Mr. Stanley stated that the Water Districts, at a point in time, were able to issue the debt to Lewisville; that changed a number of years ago in Austin and they had to go to the PID structure; so still within a Water District, but the Water District's not doing it, the PID's doing it.

Councilmember Blanscet asked if the petition met all of the requirements in the Statute. Ms. Ladd stated it meets all of the requirements as presented today; he didn't ask for the deferred assessment so it meets all of the requirements of State law and there were no additional requests.

5. Update On Customer Service Survey And Resolution Center.

Administrative Services Director Ashley Mitchell stated the Customer Service Survey began about one year ago on October 1, 2014 and she stated that all surveys are collected online. She advised that departments provide customers with the survey link and QR code; color page-size posters are in key locations within City Hall, Municipal Court and libraries and provided other avenues used to distribute the link. In that time, 133 surveys were submitted with the Resolution Center receiving the most responses. She explained that the Resolution Center could be solving an issue by a department, but the survey response refers to the Resolution Center. She reported that on a 5 point scale, the overall rating was a 3.1 which was a little above average. She asked the Council to take into account that typically people who complete surveys are those who usually don't like something so staff felt that average was good. She stated that the survey responses are providing good feedback and some changes have been made. She advised that staff would add trash collection as a department to be able to better track that feedback and information. Discussion was held about residents and non residents and Mayor Marchant suggested adding a text box where the respondent could list the zip code and Ms. Mitchell stated they could add the feature.

Ms. Mitchell provided a brief history of the Resolution Center which began in mid 2004 with 7.5 employees supported five lines of business. In FY 2004-05, they received 135,810 calls and they handled 122,558 calls with an abandonment rating of about 9%. In FY 2014, the Center consists of 9.5 employees supporting seven lines of business with 122,374 calls handled and 129,921 offered calls and an abandonment rating of about 5%. In addition there were 5,284 non-call cases which are things that come through the website and usually take longer to resolve than calls. In FY 2015, the Center consists of 10.5 employees supporting eight lines of business and as of November, experiencing a 5% increase in call volume with an overall 22% increase over November 1-15, 2014. She felt an increase in staff would be necessary to avoid an increase in call waiting but would need to wait until the employees moved to the existing Dispatch area. She provided statistics on calls received which average about 550 a day. The average speed to answer is 38 seconds; average handle time is 4.5 minutes and the abandon rate is 5.81%. She

also provided a chart that compared the Resolution Center to the industry standard and reported that the Resolution Center handles more calls per agent per day; experienced a smaller average wait; and the abandon rate was a little higher than the industry standard.

Councilmember Babick stated he would like to revisit the comparison chart with regard to trash collections as planning is considered for increased staff. Ms. Mitchell stated that the 10.5 employee number included a person to address the expected increase in call volume due to taking trash calls and would re-evaluate it at 3 months and again at 6 months to track the impact.

Mayor Marchant recessed the Worksession at 7:06 p.m. to convene the Executive Session.

*****EXECUTIVE SESSION *****

2. Council convened in **Executive Session** at 7:07 pm pursuant to Texas Government Code:

- **Section 551.071** for private consultation with the City Attorney to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the City Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the City Council.
- **Section 551.072** to discuss certain matters regarding real property.
- **Section 551.087** to discuss Economic Development

3. Council reconvened in **open session** at 7:27 pm to consider action, if any, on matters discussed in the Executive Session. No action taken.

*****REGULAR MEETING*****

Mayor Marchant called the Regular Meeting to order at 7:34 p.m.

INVOCATION – Councilmember James Lawrence

PLEDGE OF ALLEGIANCE – Councilmember Steve Babick

PUBLIC FORUM

7. **Hearing of any citizen/visitor on items not listed on the regular meeting agenda. Citizens wishing to address the Council regarding items on the posted agenda will be called to speak during the Council's consideration of such items.** Citizens/visitors should complete an appearance card located on the table at the entrance to the City Council Chambers. Speakers must address their comments to the presiding officer rather than to individual Council members or staff; Stand at the podium, speak clearly into the microphone and state your name and address prior to beginning your remarks; Speakers will be allowed between 2 and 5 minutes for testimony; Speakers making personal, impertinent, profane or slanderous remarks may be removed from the room; Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations will not be permitted; No placards, banners or signs will be permitted in the Chambers or in any other room in which the council is meeting. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

Mayor Marchant recognized Officer Steve Lair for his work in disrupting gang activity and for playing a key role in the complex Federal investigation called Operation Wheel Alignment. Mayor Marchant listed the many awards received by Officer Lair, notably the 2015 Attorney General's Award for Distinguished Service.

Mike Richardson spoke in favor of having a committee with regard to the golf course that could be an effective means of communication.

CONSENT AGENDA

*(*All items marked with a single asterisk are part of a Consent Agenda and require no deliberation by the Council. Each Council member has the prerogative of removing an item from this agenda so that it may be considered separately. Contracts and agreements are available in the City Secretary's Office.)*

Mayor Marchant recognized and welcomed former Mayor Pro Tem Kevin Falconer.

Mayor Marchant advised that Items 8 and 16 were being pulled for consideration at the next meeting and Item 19 was pulled for separate vote.

Deputy Mayor Pro Tem Hrbacek moved approval of Items 9-15, and 17-18; second by Councilmember Babick; and the motion was approved with a unanimous 7-0 vote.

MINUTES

~~*8. Consider Approval Of The November 3, 2015 Regular Meeting Minutes.~~

BIDS & PURCHASES

***9. Consider Approval Of The Purchase Of Four Fire Fighter Personal Protective Clothing Extractors and Associated Equipment From American Laundry Systems Through An Interlocal Agreement With Buyboard In An Amount To Not Exceed \$52,000.00.**

***10. Consider Approval Of The Purchase Of Industrial Pretreatment Sampling And Analysis By Ana-Lab Corporation In An Amount Not To Exceed \$75,000.00.**

***11. Consider Approval Of An Expenditure Of Funds For Replastering The Play Area, Lazy River, And Catch Pool At Rosemeade Rainforest Aquatic Complex With DCC, Inc. Through An Interlocal Agreement With BuyBoard In An Amount Not To Exceed \$71,258.15.**

ORDINANCE

***12. Consider An Ordinance Amending The Operating And Capital Budget For The Fiscal Year October 1, 2015 Through September 30, 2016.**

RESOLUTIONS

***13. Consider A Resolution Casting Votes For Kevin Falconer For The Board Of Directors Of The Denton Central Appraisal District.**

***14. Consider A Resolution Casting A Vote To Appoint Blake Clemens To The Dallas Central Appraisal District Board.**

***15. Consider A Resolution Authorizing The City Manager To Enter Into An Agreement To Sell A 25,291 Square Feet Tract Of Land, Which Tract Is Part Of A Parcel Of Land Located At 1666 West Frankford Road; Authorizing The City Manager To Take All Action Necessary To Effectuate The Intent Of This Resolution; And Providing An Effective Date.**

~~***16. Consider A Resolution Authorizing The City Manager To Enter Into An Agreement To Sell A 4.44 Acre Tract Of Land In Fee Simple, Which Tract Is Part Of A Parcel Of Land Located At 1825 North Interstate Highway 35E; And Providing An Effective Date.**~~

***17. Consider A Resolution Authorizing The City Manager To Sign An Application With Berkley To Provide Stop Loss Coverage For The City's Benefit Plan In An Amount Not To Exceed \$660,000.00.**

***18. Consider A Resolution Authorizing The City Manager To Enter Into An Agreement With Catalyst Commercial For A Retail Assessment, Strategy, And Implementation Plan In An Amount Not To Exceed \$46,100.00.**

~~***19. Consider A Resolution Accepting A Petition And Calling A Public Hearing On The Creation Of The Carrollton Singer/Castle Hills Public Improvement District On A 94.35 Acre Tract At The Southeast Corner Of Windhaven Parkway And Old Denton Road.**~~

CONSENT AGENDA ITEMS PULLED FOR SEPARATE CONSIDERATION.

***19. Consider A Resolution Accepting A Petition And Calling A Public Hearing On The Creation Of The Carrollton Singer/Castle Hills Public Improvement District On A 94.35 Acre Tract At The Southeast Corner Of Windhaven Parkway And Old Denton Road.**

Mayor Marchant stated that the end result of the request, if approved, would be the development of the Singer Ranch which is located north of Hebron on Old Denton and would be a single family development that would be incorporated into the Castle Hills development. He stated this is the first step in a multi step process and would involve the creation of a Public Improvement District (PID). The request before the Council is to accept the petition and call a public hearing.

Councilmember Garza moved approval of Item 19; second by Councilmember Sutter.

Mayor Pro Tem Wilder stated he would vote against the PID stating he was concerned about the precedent it would set for future developments in the City for single family housing and because of the principles behind it. He stated his preference that the developer use conventional finance methods.

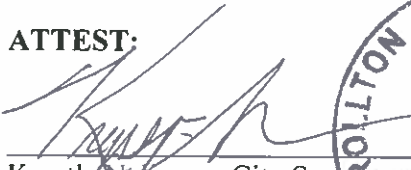
The motion was approved with a 6-1 vote, Mayor Pro Tem Wilder opposed.

ADJOURNMENT

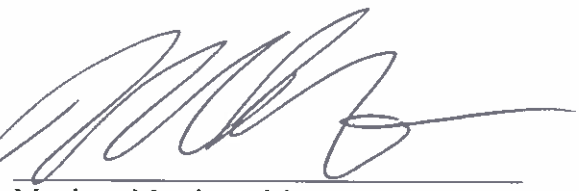
Mayor Marchant reminded the audience about a concert by The Steel Blossoms on Saturday, November 21 in Downtown Carrollton and Santa's Downtown Dash on Saturday, December 5 in Downtown Carrollton. He wished everyone a wonderful Thanksgiving.

Mayor Marchant adjourned the meeting at 7:45 p.m.

ATTEST:


Krystle Nelinson, City Secretary




Matthew Marchant, Mayor