

**CARROLLTON CITY COUNCIL
STRATEGIC PLANNING SESSION
JULY 21 & 22, 2017**

The City Council of the City of Carrollton, Texas convened in a Strategic Planning Session on Friday, July 21, 2017 at noon with the following members present; Mayor Kevin Falconer, Councilmembers Mike Hennefer, Doug Hrbacek, James Lawrence, Frances Cruz, Young Sung, Mayor Pro Tem Glen Blanscet, and Deputy Mayor Pro Tem John Sutter. Also present were City Manager Erin Rinehart, Assistant City Managers Marc Guy, Chrystal Davis, and Bob Scott, City Attorney Meredith Ladd, Marketing Director Kelli Lewis, and City Secretary Laurie Garber. Randy Pennington of Pennington Performance Group facilitated the meeting.

12:00 P.M. – MARRIOTT COURTYARD CONFERENCE CENTER

LUNCH

Mayor Falconer called the meeting to order on July 21, 2017 at 12:36 p.m.

1. Receive Opening Remarks And Review Agenda.

Mayor Falconer kicked off the meeting by welcoming Council and staff and thanked them for committing their time to hold a successful retreat. Randy Pennington of Pennington Performance Group was introduced and reviewed the agenda items to be discussed. Randy spoke about the importance of the strategic goals, mission and vision, explaining that what you don't do can be as impactful as what you decide to pursue. Falconer added that as this is a new council, he wanted to build a team in order to have a unified message. Council discussed the importance of having a clearly defined vision and prioritizing action agenda items. Councilman Lawrence said he would like staff to define what can and truly can't be done. Pennington asked Council to define the role of staff and the Mayor stated it should be collaborative; Council agreed. Randy told Council as they reviewed each agenda item, they needed to determine if the goal was informational, directional, to provide feedback to staff, or to identify the item for further discussion at a future worksession.

2. Review Economic Development Strategies.

Economic Development Director Tom Latchem introduced Jason Claunch from Catalyst Commercial, explaining that Council requested an update on actions we could take to better improve retail. Jason explained that a retail assessment was conducted in order to develop a strategy to enhance retail quality and satisfaction. He explained that Carrollton has the highest retail occupancy rates in the Dallas – Fort Worth area at 93.3%. In conducting the assessment, Catalyst used a SWOT Analysis, interviewed their internal and external partners, reviewed a heat map showing age, vacancy and rental rates for a geo-spatial analysis, benchmarked against regional conditions, and reviewed predictive analytics. Claunch discussed some improvements that could be made to help attract developers to various Carrollton shopping centers. He also stated that Catalyst identified 83 prospects that aligned with the space currently available in Carrollton. Claunch explained that everyone is trying to get the big names so the competition can be challenging. Sometimes it's a matter of creating a unique environment in a mixed-use space and he cited Legacy West as an example. Latchem noted that staff knows what's available and while 50,000 square foot space is what the big box retailers want, Carrollton doesn't have more of that space available. Staff knows what's vacant in the City and in most cases why. One thing staff is focusing on now is highlighting all that's going on in Carrollton

and telling the Carrollton story to owners, developers, and brokers. Latchem explained that Economic Development is working with the Marketing Department to create materials and get it into the hands of developers.

Claunch talked about how mixed-use space should cater to local needs whether that included boutiques, a hotel, big business or otherwise. While transit is a game-changer for the workforce, it's not as crucial for boutiques. Hrbacek reminded Council that attracting the workforce is hugely valuable. Claunch described the next shopping trend would be experience-based at mixed-use districts that could include workforce, retail, restaurants and entertainment. Mayor Falconer agreed that while retail is declining because of the internet, experience is crucial as it's missed through the internet.

Councilman Sung talked about how restaurants can be successful when they cater to the locality and wanted to know how Carrollton can follow that model. Claunch stated the best strategy is to specialize each independent center. While Richardson is more diverse than Carrollton, Carrollton has better accomplished the diverse shopping experience. Councilman Hrbacek inquired about grocery stores and Claunch explained that it's currently a tough market for grocery stores. There's a lot of competition in a saturated market so grocery stores are considering real estate very strategically.

To remain competitive and relevant, Claunch stated that many factors are important including streetscape, code enforcement, redevelopment, underutilized shopping centers, being progressive and proactive, and being informed. The quality of neighborhoods, safety, and attractive corridors greatly affect a City's ability to attract healthy retail. He also noted the importance of integrating an appropriate mix of businesses for placemaking purposes. Claunch explained that everything is important, but Council needs to decide what's most important and the best way to fix it.

Randy advised Council to consider this information when evaluating the strategic goals.

3. Receive Briefing On Predictive And Preventative Infrastructure Maintenance.

Assistant City Manager Marc Guy told Council that while they typically only see the bid approval process regarding infrastructure, this presentation would explain all the steps involved in getting to that point. Staff can spend all day recruiting the best businesses but if the City doesn't have key infrastructure in place, we can't provide the basic services the businesses need. Guy reviewed a map that demonstrated the age of residential subdivisions in Carrollton, noting the amount of work that has been completed in South Carrollton. He stated that many of the homes in North Carrollton are 30-40 years old which in terms of infrastructure is very old. Carrollton is 34 square miles with a large inventory of infrastructure including sidewalks, bridges, drainage channels, streets, water and sewer. Guy explained that these projects must be prioritized because of the expenses involved. The Infrastructure Report Card was developed to help prioritize those decisions.

Public Works Director John Crawford stated that Public Works addresses maintenance needs until an item has reached the end of its lifecycle, at which point it goes to Engineering to create something new. Crawford explained how vehicles put stress on the roads. He detailed the different ways Public Works can fix roads including asphalt patching, mill and overlay, panel replacements, crack sealing, and pressure grouting. Crawford touched on some of the challenges with street repairs including weather, and working around peak traffic hours in order to not further impede with rush hour backups. He also discussed sidewalk repairs and noted that the City's Sidewalk Repair Policy is available on the City website. Crawford told Council that some of the screening walls in Carrollton

are maintained by the HOA and some are maintained by the City. Many of the walls are Eddie Mann walls which are poured concrete with a pressed brick imprint making them difficult to maintain but virtually indestructible. Crawford explained that staff is always looking into new materials but are careful to ensure they're properly tested.

Council took a break at 2:02 p.m. and resumed at 2:16 p.m.

5. Receive Briefing On Prioritization, Funding, And Implementation Of Capital Projects.

Director of Engineering Cesar Molina discussed the review process for capital projects. He explained that staff rates projects with a scoring system and determines the scope and cost of the project. The Capital Improvement Project Advisory Committee (CIPAC) reviews the projects and provides a recommendation to Council regarding which projects should be addressed first. The project schedule is weighed by how much funding and staffing are available. Molina said factors including right-of-way, acquisition, utility relocation and state-required bidding processes can delay a project.

Molina explained that projects are rated using an IMS system company that drives a specialized van on the streets to evaluate the condition of the surface and determine grading. Roads receiving above a 70 are handled by Public Works and those below are handled by Engineering. The IMS rating helps determine project prioritization, but other factors like inclusion in a NOTICE neighborhood, are also considered. He reviewed funding sources historically used which included bonds, CDBG, the General Fund, and others. Mayor Falconer asked if the grades on the infrastructure report card are increasing or declining and Molina answered that it's about level. Staff is proposing to improve the grades, we'll need to increase funding and efforts. The last IMS study was completed in 2012 so it would be good to another study to have additional data sets. Councilman Hennefer asked why IMS studies weren't completed more frequently and why Carrollton doesn't have their own machine. Molina answered that it's a costly study but purchasing is cost prohibitive. Councilmember Cruz asked if we review how and where we're spending infrastructure dollars based on Economic Development needs. Molina explained that there are many infrastructure agreements in place and that he and Tom Latchem speak frequently about developer feedback. Assistant City Manager Bob Scott added that staff also looks at usage so many times the arterials naturally rise up as that's where retail centers are located.

Councilman Lawrence mentioned how great the Eddie Mann walls look throughout the City and asked about other beautification efforts in place. Molina talked about the bridge improvements and landscaping in addition to screening walls. Councilmember Cruz asked what the City could be doing differently to improve the grades of the infrastructure report card. City Manager Erin Rinehart explained that the City would have to spend more at a faster rate to see an improvement. Guy added that while we've addressed the infrastructure built in the 1970's, we're on to the infrastructure of the 1980's and meanwhile, the 1990's infrastructure is declining with time. He explained that it's not an efficiency issue; it's a financially driven problem that has to be addressed in the order of magnitude.

4. Receive Briefing On The Budget Process.

Assistant City Manager Bob Scott explained to Council that the budget calendar is built around state law and the process begins with the strategic goals set by Council. He reviewed the important dates in the process, highlighting certain dates that require advertising by state law. During the preliminary budget, staff documents what's been completed based on Council's strategic goals. A balanced budget is always provided, even when in a recession. Major changes are also provided whether

something was added or dropped. Council decision points are divided into one of two categories based on whether they were built into the budget or if it's an item Council would need to add to the budget. Scott explained CIPAC suggests bond spending and it's up to Council to approve. He stated once the tax rate is advertised, Council can lower the rate further, but the rate cannot be increased unless the process starts over. Council can decide to bring up items to be added to the budget. Scott clarified that the final budget is adopted by ordinance and tightly controlled. He advised Council that when they receive the budget to start by reviewing the executive summary as it gives a good comparison among cities, defines what we're spending, and shows changes from the previous year. Scott noted that budget information for the last 10 years is available on the City website. He explained that because sales tax is flexible, Council has capped it at the rate of inflation. Rinehart added that sales tax has been previously considered as non-recurring funding because it can vary but Council will need to determine if that's something they'd like to consider recurring.

6. Receive Briefing On Corridor Beautification.

Director of Development Services Ravi Shah showed Council numerous before and after pictures demonstrating the positive effects of the revitalization efforts put in place. He explained how initiatives like the tree replacement program, landscaping efforts, rooftop screening, billboard requirements, and sign ordinances have improved the aesthetics of major corridors. Permitting requirements have been added to help identify owners of real estate signs placed throughout the City so they're no longer abandoned when they're out of date. Partnerships with HOAs have been developed to help add drought-tolerant landscaping along screening walls, and with developers to encourage the use of retention ponds. The Department has also worked with businesses along thoroughfares to move propane tank cages from parking lots beside intersections where they posed public harm if struck by a vehicle, to beside the business where it's out of the way of vehicles. Shah told Council that staff carefully considers the balance between advertising interests and maintaining community sustainability when evaluating sign regulations and explained some of the measures currently in place. He also discussed ordinances and enforcement efforts to help prevent unsightly or hazardous occurrences relating to glare and leaning fences.

Shah talked about the improvements to the shopping centers that have utilized the Retail Redevelopment Program. The Corridor Beautification Program has seen success through the Rosemeade bridge retrofit, the improvement of traffic signal boxes, stone retrofit on concrete surfaces and retaining walls, bus stop improvements and landscaping between streets and sidewalks. Shah ended the presentation by asking Council to consider what other items staff needs to review. Mayor Falconer stated that the long term effects show progress. Councilmembers Cruz and Sung asked about outreach to help businesses follow these guidelines. Shah explained the various ways the City works with businesses to aid compliance. Councilman Sung asked about temporary signs for businesses to which Shah responded that temporary signage is allowed four times annually and clarified the guidelines.

Council took a break at 5:13 p.m. and resumed at 5:27 p.m.

8. Discuss DISC Assessment Results.

Randy Pennington opened the conversation by talking about the importance of understanding each other to improve communication for decision-making. He explained the 4 personality styles included in the DISC assessments, and reviewed the benefits and challenges of working with each. Pennington showed the group where Council and executive staff fell on the success insights wheel noting the

benefits of having many personality types when making important decisions. He also discussed the six core motivators and described how it can be used to help team members relate to each other.

Mayor Falconer adjourned the meeting for the day at 6:35 p.m.

SATURDAY, JULY 22, 2017
8:30 A.M. - MARRIOTT COURTYARD CARROLLTON

BREAKFAST

Mayor Falconer called the meeting to order at 8:35 a.m. on July 22, 2017.

11. Review Previous Day's Results And Any Remaining Discussion Items From July 21, 2017 Agenda.

7. Discuss The Role Of The Council And What It Means To Work As A Team.

Pennington opened the meeting by explaining how the DISC Assessments and Driving Forces Wheel relate to the Council and how they work as a team. Pennington asked Council to think about the relationship between staff and Council to determine if they feel that they steer while staff rows the boat. Rinehart noted that while the Council-Administration Dichotomy says Council sets policy and staff executes it, that's not always how it is. As an industry professional, she often feels obligated to notify Council of the potential ramifications of their decisions and explain what's involved. Pennington described how councils have become more invested and involved over the last few years which has expanded their relationship with staff. Even though Council feels comfortable reaching out to staff directly with projects or to address issues, it complicates the organizational structure. Rinehart explained that staff wants to be helpful and aren't comfortable telling Council no. Often, multiple departments in the City are impacted by a decision. It's important to go through executive staff so they can evaluate the organization-wide effects of a project or inquiry. Marc Guy added the streamlined communication with executive staff also helps manage messages so Council receives accurate and updated information. Rinehart added that there may be other consequences if staff says yes to a deadline or change in scope. If she needs to pull a few Public Works staff to finish concrete work at a project, that's taking them away from a street project they may be working on and it may change the deadline. Councilman Hrbacek talked about the need for improvement of project delivery. Rinehart agreed and discussed measures put in place to improve. She said that while she expected Council to hold her accountable to meet deadlines, she would also be honest with Council if a deadline would be delayed if Council wanted to change or add to the scope of a project. Mayor Falconer agreed that it's important for Council to go to executive staff for inquiries and would like staff to provide some amount of contingency time to complete projects, but doesn't want deadlines to be padded as we should have a relationship of honesty and trust. Councilman Sutter added that sometimes Council pushes for an opening date that's convenient with their calendars and he understands that puts additional stress on staff if the date impedes with the project timeline. Rinehart agreed to let Council know if that was the case. Councilman Hennefer added that it was also important to keep Council informed early and often if problems with a project arise, to which Councilman Blanscet agreed. Rinehart replied she doesn't want Council to be blindsided so she'll communicate early and often. Sometimes cities will throw additional money or resources at a problem when there's a hiccup but that hasn't been the Carrollton way. She added that Carrollton runs a lean operation and there's not extra staff to call in when things need to get done on one project, without temporarily sacrificing another project. Hennefer requested that Rinehart let Council

know if they ask for something that requires additional resources. She agreed that she would but couldn't promise that all of staff would be comfortable doing that, which is why the line of communication is so important.

Pennington noted that communication, trust, and clear expectations are crucial to operating as a team. Council confirmed that they want to operate as a team with a shared vision and goal for optimal results.

Council took a break at 10:18 a.m. and resumed at 10:41 a.m.

12. Review And Define Mission, Vision, And Council Goals.

Mayor Falconer stated it was his priority to get Council to work as a team because it will multiply results exponentially if they have a shared purpose and vision. He wanted Council to develop a new vision collectively that was easier to remember. He discussed how he believes the City is great but thinks it can be greater and the vision will give Council something to strive for. Pennington talked about the effect of vision statements on various companies and that you don't have to be bad to want to improve. He reviewed Carrollton's current logo, tagline and vision and asked Council to determine what they wanted to change. Marketing Director Kelli Lewis clarified the differences between taglines, visions, missions and goals for Council to consider while making a decision about their vision statement. Council agreed that the vision should include what distinguishes Carrollton from other cities and be something that drives decision-making. Pennington added that you don't have to be unique to be distinctive but you have to be very good at the fundamentals. Every city wants to be the city where people live, work and play, but how do you get there? He explained that if Council is too specific, it may not be a fit for everyone. He asked Council to consider how they like people outside of Carrollton to view the City. Rinehart stated that Carrollton is known by other cities for being cost-effective, efficient, and innovative. She stated that Carrollton is one of 39 cities in Texas over 100,000 in population. Council talked about how Carrollton still has a small town feel. Councilman Lawrence talked mentioned he wanted people to view Carrollton as a place to call home. Councilman Hrbacek discussed the importance of Carrollton's location and how it helps attract businesses.

Council broke for lunch at 11:40 a.m.

LUNCH

Council resumed at 12:08 p.m.

Pennington asked Council if there was anything from the previous vision statement they'd like to include. Council determined safety, diversity, business-friendly and family-oriented are all important aspects of the Carrollton community. Council agreed on the vision 'To be the community that families and businesses want to call home.'

Pennington also reviewed the guiding principles. Council noted that respect and inclusiveness are crucial. Council amended the existing principles to the following:

- Be financially sustainable
- Respond appropriately to need and requests

- Balance fairness and consistency
- Be creative and innovative in how we deliver services and approach problems
- Show respect to all individuals

9. Discuss Key Accomplishments And Remaining Council Priorities.

A presentation of the 2016-2017 Council Strategic Goals was given by Randy Pennington. Council reached consensus on the following revisions:

Financially sustain our community

- Ensure Public Safety sustainability while maintaining a low property crime rate
- Continue implementing bond programs
- Maintain warehouse and industrial development tax base

Maintain and enhance the quality, vitality, and attractiveness of our community

- Maintain and enhance Neighborhood IMPACT Program
- Revitalize and potentially purchase shopping centers
- Ensure hotels and apartments are operating cleanly, safely, and responsibly
- Monitor the implementation of railroad quiet zones throughout the City and analyze future opportunities
- Pursue alternative programs and approaches for redevelopment of aging areas

Maintain and enhance amenities and services that enhance the quality of life

- Continue code enforcement and neighborhood integrity efforts
- Continue to expand trail system
- Maintain a priority on redevelopment and expansion of existing parks
- Maintain traffic signal synchronization at key intersections
- Complete an “Adopt-a-Neighborhood” program through the NAC to create more neighborhood ownership and connections

Maintain and enhance our infrastructure and transportation system

- Schedule and fund priority street improvement and sidewalk repair projects
- Monitor completion of the IH-35E widening project with TXDOT including design of the Belt Line Road underpass and establishing IH-35E entry features
- Increase emphasis on securing multi-modal opportunities in Carrollton

Operate city government as a customer service business

- Maintain on-going emphasis on operating as a competitive service business
- Create opportunities for customer/citizen engagement
- Pursue opportunities for increased local representation on regional boards and commissions that affect the City of Carrollton
- Continue to optimize and build relationships with other government agencies, and neighboring cities
- Continue to optimize and build relationships with school districts
- Maintain a total rewards environment that optimizes employee compensation, benefits, development, and work environment
- Continue to exceed minimum legal requirements for transparency and open government

Promote and reflect a positive image of our community

- Continue a targeted branding and advertising strategy to improve perception in the Metroplex and with our citizens
- Provide activities that support a sense of community
- Promote historical landmarks within the community as part of our marketing efforts
- Optimize sponsorships for City assets and events
- Continue to conduct festivals and events (i.e. – Festival at the Switchyard, Bluebonnet Festival, and 5K Trail Run)

Intentionally encourage quality new development and strategic re-development

- Implement and revisit the Transit-Oriented Development Master Plan
- Expand retention, attraction and growth efforts of specific types of restaurants and retail that fit Carrollton's long term vision
- Enhance the connection between the City of Carrollton and small businesses, including retail
- Pursue intentional redevelopment of aging apartments that do not fit Carrollton's long term vision
- Pursue and Market Trinity Mills Office Opportunity
- Develop a strategic plan for west of IH-35E

Maintain and enhance the image of Carrollton's major corridors

- Pursue major street corridor redevelopment and beautification of entry points
- Implement urban design guidelines to promote quality development and redevelopment in the city's major street corridors

Council took a break from 1:47-1:54 p.m.

8. Receive Update On 2016 Action Agenda Accomplishments

Council reviewed the 2016-2017 action items. It was explained to Council that action items fall under larger goals and this provides staff direction with what to concentrate on for the upcoming year. This also helps determine budgeting priorities.

13. Discuss New Action Agenda Items From Council.

Councilmember Blanscet noted the success the City has had in the reduction of crimes but was concerned about how we combat negative perception on social media. Rinehart explained that there's a strategy to how the City's Marketing Department puts out information, but the best way the City's building advocates is through outreach and programs like Citizens on Patrol.

Councilman Hennefer inquired about the current warehouse base. Guy explained the warehouse occupancy is at 95% which is a large and sustainable tax revenue source. This source produces much higher sales tax revenue than retail or restaurants. Councilman Lawrence asked what opportunities are available to expand the industrial base. Guy responded that the area is pretty much built-out and in undeveloped areas, challenges arise with floodplains and utilities. The City has met with developers and the feedback is Carrollton isn't great for a Class A market, but Trinity Mills is our best option for that. Council agreed that the City needed to be focused on the Trinity Mills area. Guy stated the zoning is set and staff is ready to proceed.

Cruz added she would like to increase empowerment zones to make smaller incentives available for other residential redevelopment. Hrbacek suggested it be taken to the Redevelopment Subcommittee to discuss. He added that as part of the NOTICE program, he wanted to see someone utilize the program's offer to do a demo and re-build as this program has been successful in Farmers Branch. Cruz and Hennefer agreed. Guy discussed some areas that may be good candidates, noting that Arcadia is currently working on the Thomas initiative and that similar to Branch Crossing in Farmers Branch, the Crosby Road project is underway as the apartments have already been torn down. Hennefer asked if the program needed additional support. Guy explained it may need to be kick-started by having the City step in to acquire those lots.

Hrbacek told Council he'd like the Parks Amenity Fund increased to ensure the program is being funded properly. He reviewed the progress made around Josey and Keller Springs due to multiple projects but would still like to see it improve so it can serve a high-use purpose and potentially bring revenue. Sutter stated he would also like to see a park added in the City and a farmers market under IH-35E. He'd also like to explore an option to bring the Grapevine Railroad to Carrollton. Guy noted he met with DART but they weren't interested. He said he'd be happy to meet with the owner if there was an interest.

Mayor Falconer added that he'd like to re-package materials on how to start a business in Carrollton. Randy noted this could fall under Community Engagement. Sung mentioned he'd like to optimize the Sister City program to which Randy replied it would fall under Promoting a Positive Image.

14. Discuss Additional Priorities And Goals For Future Council Worksession.

Councilman Hrbacek requested additional information about non-resident use of athletic fields for league play and a future worksession to discuss it was agreed upon. Cruz asked for additional information about Managed Competition. Rinehart agreed to a worksession a few months after a new Managed Competition Director is hired.

Cruz also inquired about bringing back the Jimmy Porter Award. Rinehart said staff would send Council details about awards currently in place.

15. Prioritization Of Goals And Action Agenda.

Council determined the following were priorities:

- Trinity Mills TOD
- Cotton Belt (City's role is to put pressure on the project)
- Community Engagement
- Parks, amenities, infrastructure improvements
- Corridor/entry beautification

Rinehart agreed that the overarching goals were achievable. She explained to Council that some non-recurring capital money will be available but staffing is limited. Falconer noted that he understood and believes that's when contracting out some projects will be necessary. She agreed to let Council know when they needed to decide between projects.


17. Receive Closing Comments.


Mayor Falconer concluded the meeting thanking everyone for their time, participation, and hard work.

ADJOURNMENT

Mayor Falconer adjourned the meeting at 4:36 pm.

ATTEST:


Laurie Garber, City Secretary


Kevin W. Falconer, Mayor

