

**TOWN OF SUNNYVALE
SUNNYVALE TOWN COUNCIL
SPECIAL MEETING
CONFERENCE ROOM - 127 N. COLLINS RD
MONDAY, SEPTEMBER 12, 2016
6:00 P.M.**

MAYOR	JIM PHAUP
MAYOR PRO-TEM, & PLACE 2	SAJI GEORGE
COUNCILMEMBER, PLACE 1	KARA RANTA
COUNCILMEMBER, PLACE 3	MARK EGAN
COUNCILMEMBER, PLACE 4	JIM WADE
COUNCILMEMBER, PLACE 5	KAREN HILL
COUNCILMEMBER, PLACE 6	CHRIS MCNEILL

CALL MEETING TO ORDER

Mayor calls the Workshop to order, state the date and time. State Councilmember's present and declare a quorum present.

1. CONDUCT INTERVIEWS FOR POSSIBLE APPOINTMENTS TO THE TOWN'S BOARDS AND COMMISSIONS INCLUDING:

**BOARD OF ADJUSTMENTS
PLANNING & ZONING COMMISSION
4A DEVELOPMENT CORPORATION BOARD OF DIRECTORS
4B DEVELOPMENT CORPORATION BOARD OF DIRECTORS
LIBRARY BOARD**

Mayor Phaup called the meeting to order at 6:00 p.m. Councilmember McNeill arrived at 6:03 p.m. All other Councilmembers were present.

The Town Council interviewed Dee Blackwood.

EXECUTIVE SESSION

Recess into executive session pursuant to Chapter 551, Subchapter D of the Texas Government Code:

EXECUTIVE SESSION AGENDA:

A. SECTION 551.076. SECURITY DEVICES OR AUDITS

To deliberate the deployment or specific occasions for implementation, or security personnel or devices; or a security audit.

Councilmember McNeill made a made a motion, seconded by Councilmember Egan, to recess into Executive Session at 6:15 p.m. Mayor Phaup called for a vote, and with all members voting affirmative, the motion passed 7/0.

END OF EXECUTIVE SESSION

Reconvene into open session and take any action necessary as a result of the Executive Session.

2. CONSIDER ANY OFFICIAL ACTION ON THE EXECUTIVE SESSION CLOSED MEETING ITEMS:

A. SECTION 551.076. SECURITY DEVICES OR AUDITS

To deliberate the deployment or specific occasions for implementation, or security personnel or devices; or a security audit.

Mayor Phaup reconvened the meeting at 6:43 p.m. and stated no action would be taken.

ADJOURN

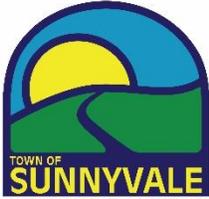
Mayor Phaup adjourned the meeting at 6:43 p.m.

The undersigned presiding officer certifies that this is a true and correct record of the proceedings.

Mayor Jim Phaup

ATTEST:

Leslie Black, Town Secretary



**TOWN OF SUNNYVALE
SUNNYVALE TOWN COUNCIL
REGULAR MEETING
MONDAY, SEPTEMBER 12, 2016
TOWN HALL - 127 N. COLLINS RD.
7:00 P.M.**

MAYOR	JIM PHAUP
MAYOR PRO-TEM, & PLACE 2	SAJI GEORGE
COUNCILMEMBER, PLACE 1	KARA RANTA
COUNCILMEMBER, PLACE 3	MARK EGAN
COUNCILMEMBER, PLACE 4	JIM WADE
COUNCILMEMBER, PLACE 5	KAREN HILL
COUNCILMEMBER, PLACE 6	CHRIS MCNEILL

INVOCATION

Councilmember Hill led the invocation.

PLEDGE OF ALLEGIANCE

Mayor Phaup led the Pledge of Allegiance.

CALL MEETING TO ORDER

Mayor Phaup called the meeting to order at 7:02 p.m. All councilmembers were present.

PUBLIC FORUM

Citizens may speak on any matter other than personnel matters or matters under litigation. No Town Council actions or discussion will be taken until such matter is placed on the agenda and posted in accordance with law.

None

PRESENTATION BY ATMOS ENERGY AND SUNNYVALE GARDEN CLUB TO SUNNYVALE FIRE RESCUE.

CONSENT AGENDA ITEMS 1 THROUGH 2:

- 3. MINUTES OF TOWN COUNCIL SPECIAL MEETING – JULY 25, 2016.**
- 4. MINUTES OF TOWN COUNCIL REGULAR MEETING – JULY 25, 2016.**

Councilmember Egan stated Councilmember Ranta's name was misspelled on page 32 of the packet.

Councilmember McNeill made a motion to approve the minutes of Town Council Special Meeting – July 25, 2016 and minutes of Town Council Regular Meeting – July 25, 2016 with the amendments as stated, and with all members voting affirmative, the items passed 7/0.

Mayor Phaup left the meeting at 7:09 p.m.

DISCUSSION/ACTION ITEMS:

DEVELOPMENT SERVICES

5. **DISCUSS AND CONSIDER SECOND READING OF ORDINANCE 16-13: AN ORDINANCE AMENDING ZONING ORDINANCE NO. 324 DULY PASSED BY THE TOWN COUNCIL ON JANUARY 31, 2000; AS AMENDED BY ORDINANCE NO.525 AND AS AMENDED FROM TIME TO TIME; SO AS TO CHANGE BY ADOPTION OF AMENDMENTS TO THE TEXT OF THE TOWN'S ZONING ORDINANCE INCLUDING WITHOUT LIMITATION, CHANGES TO CHAPTER 17A, MASTER PLANNED DEVELOPMENT DISTRICT (MPD), ESTABLISHING A NEW MINIMUM DISTRICT SIZE, PROVIDING A SEVERABILITY CLAUSE; PROVIDING A CONFLICTS CLAUSE AND PROVIDING AN EFFECTIVE DATE.**

Development Director Rashad Jackson stated direction was provided to Town Staff to propose an amendment to the zoning ordinance to lower the minimum required acreage for Master Planned Development Districts (MPD). At a recent Council meeting held on Aug. 22, 2016, staff was given direction to reduce the minimum required acreage from 15 acres to 10 acres with the stipulation that required acreage could be lower when carrying out the recommendations of the Comprehensive Plan. The revised amendment is attached for review.

The current minimum acreage requirement limits opportunities for some retail development in certain areas in Town. Many of the remaining retail parcels along our primary corridors do not meet the minimum acreage requirement for an MPD. As it exists, possible development on parcels less than 15 acres is restrained to the minimum development standards of the base zoning districts (i.e. Local Retail District, General Business District).

It is recognized that many of today's retail developers typically do not want to use conventional zoning or minimum development standards for their projects. Our zoning ordinance stipulates..." *MPD districts are generally intended to encourage flexible and creative planning, to ensure the compatibility of land uses, to allow for the adjustment of changing demands to meet the current needs of the community, and to result in a higher quality development for the community*". An MPD with a lower minimum acreage requirement would allow for greater flexibility for new development and redevelopment. It would provide the Town the ability to best utilize smaller retail parcels in exchange for greater benefits than would otherwise be achieved through conventional zoned development.

Overall Pros and Cons for Planned Development Districts ⁽¹⁾

Pros

- Greater flexibility;
- Ability to negotiate;

- Ability to assess and mitigate site specific impacts;
- Ability to address public concerns;
- Ability to compensate for deficiencies in standard zoning districts;
- Ability to better regulate large scale mixed use development;

Cons

- Possible contract zoning (inappropriate bargaining);
- Time consuming to establish and administer PD districts;
- More vulnerable to politics;
- Erosion of standard zoning requirements;
- Over use;
- Lack of an automatic revocation if project is not built;
- Manipulation of regulations to gain approval;
- Lack of consistency among districts; and,
- Difficulty in administering regulations when the district is split among multiple owners.

(1) Frank F. Turner, FAICP and Terry D. Morgan, Esq. [A Guide to Urban Planning in Texas Communities: Introduction to Planned Development Zoning](#). American Planning Association – Texas Chapter; 2008.

The cities below have the following requirements:

- Forney : 5 acres
- Plano: no PD district may be established smaller than 5 acres unless a specific finding is made by the City Council that the establishment of the district is required to implement the Comprehensive Plan or related study.
- Garland : Retail or Commercial sales and service on minimum 10 acres; Office or Health Services on minimum 5 acres; Business park on minimum 10 acres
- Frisco: A PD district requires a minimum of fifteen (15) contiguous acres. Acreage may be less than fifteen (15) acres when carrying out the recommendations of the Comprehensive Plan.
- Euless: A “PD” district may be authorized only on sites containing five or more acres, except in infill or transition areas where there shall be no minimum size requirements.

Public notice was provided to the Town’s Official Newspaper for publication on July 27, 2016. Given that this is a text amendment initiated by the Town, which does not specifically affect one property, written letters were not provided to specific property owners.

The Planning and Zoning Commission had the following recommendation at their meeting on August 15, 2016. Commissioner Moss made a motion to approve the MPD district amendment to set the minimum required district size at five (5) acres, seconded by Commissioner Kline. Co-Chairman Okafor called for a vote, the motion passed unanimously.

Town Staff is seeking approval. Per Town Council request, the proposed minimum acreage has been revised to a minimum of 10 contiguous acres. Acreage may be less

than ten (10) acres when carrying out the recommendations of the Comprehensive Plan. Mayor Pro-Tem George asked how many lots in the Town would be affected by this. Development Director Rashad Jackson stated it would be at least 5 parcels. More specifically at the southeast corner of Collins Rd. and U.S. Hwy 80, Tripp Rd. and Beltline across from Kearney's, and some by the First Baptist Church.

In response to a question by Mayor Pro-Tem George, Director of Development Services Rashad Jackson responded that this only applies to commercial property.

Mayor Pro-Tem George opened the floor for public comment. There was none.

Councilmember Wade made a motion, seconded by Councilmember Egan, to approve Ordinance 16-13 as presented, and with all members voting affirmative, item passed 6/0. Mayor Phaup left the meeting at 7:09.

ECONOMIC DEVELOPMENT

6. DISCUSS AND CONSIDER AN EXTERIOR LANDSCAPE MAINTENANCE AGREEMENT WITH PARADISE LAWNS OF TEXAS IN THE AMOUNT OF \$32,400.

Economic Development Director Randall Heye stated the 4B Development Corporation and Town Council previously approved an exterior landscape maintenance agreement with Paradise Lawns of Texas for Fiscal Year 2016. At the end of September, the existing agreement with the vendor will expire. For Fiscal Year 2017, staff has requested a proposal for the following locations: the four islands at Collins Rd and US Hwy 80, two islands on Collins Rd, the entrance to Town Hall, and Town Hall proper. The proposed scope of work includes cleaning of weeds, installation of hardwood mulch, and installation of color at Town Hall.

The annualized cost of the contract is \$32,400 and comes from the Development Corporation's landscape maintenance account. This represents a savings of \$600 from the previous year.

Staff recommends Town Council approve 4B's expenditure of \$32,400 for a landscape maintenance agreement with Paradise Lawns of Texas for the next fiscal year.

Councilmember Ranta asked if the scope of work remained the same. Economic Development Director Randall Heye stated yes, the scope of work remained the same.

Councilmember Egan asked if competitive bids were received. Economic Development Director Randall Heye stated yes but the scope of work had to be significantly altered to stay within the \$35,000 range.

Councilmember Hill made a motion, seconded by Councilmember Ranta, to approve an exterior landscape maintenance agreement with Paradise Lawns of Texas not to exceed \$32,400, and with all members present voting affirmative, the item passed 6/0. Mayor Phaup left the meeting at 7:09.

TOWN MANAGER

7. DISCUSS COSTS AND FUNDING OPTIONS FOR THE EXPANSION OF COLLINS ROAD.

Town Manager Sean Fox stated the Collins Road Expansion Project was approved and included in Dallas County's Major Capital Improvement Program (MCIP) under a 50/50 County & Town partnership. The original project limits defined were from US 80 to Tripp Road, but did not include the Tripp intersection. In 2005, the project was started and stopped with only the initial design work being completed. Over time, as updated estimates of construction costs were provided, the MCIP commitment from Dallas County was also updated, and is currently funded at \$2,871,000.

In 2015, the County and the Town agreed to modify the project limits to include the consolidation of the two Tripp intersections into a single roundabout intersection. The addition of the intersection and increased costs for widening Collins Road have increased the overall estimated project cost from \$5.742M to \$8.602M (based on the latest 90% Opinion of Probable Construction Cost (OPCC) dated 9-1-2016).

The following is a specific breakdown of the increases in costs from one stage or decision point to the next.

Based on the November 2014 Traffic Impact Analysis (TIA) and the October 2015 Intersection Control Evaluation (ICE), intersection alternatives were presented to Council in October 2015 outlining an Opinion of Probable Construction Costs (OPCC) of:

TIA

Collins Road widening -	\$4,100,000
Roundabouts 4.1 Alternative-	\$2,130,000
Right of Way (ROW) costs -	\$780,000
Engineering -	<u>TBD</u>
Total	\$7,010,000

In December 2015, Council approved the final design and awarded the engineering and design contract to NDM based on an updated Collins Road widening OPCC of:

OPCC 12/2/15

Collins Road widening -	\$4,149,897
Roundabouts 4.1 Alternative-	\$2,130,000
Right of Way (ROW) costs -	\$780,000
Engineering -	<u>\$532,905</u>
Total	\$7,592,802

In April 2016, 30% design/plans were presented to Council with an OPCC of:

OPCC 30%

Collins Rd widening -	\$4,539,826
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Roundabout/Intersection	\$1,284,801
Right of Way (ROW) costs -	\$780,000
Engineering -	<u>\$532,905</u>
Total	\$7,137,532

In July 2016, 60% design/plans were presented to Council. An updated OPCC was not presented at the time due to the availability of complete numbers & costs were being scrubbed by Town/Dallas County for cost saving measures.

OPCC 60%

Collins Rd widening -	\$4,822,983
Roundabout/Intersection -	\$2,193,009
Right of Way (ROW) costs -	\$780,000
Engineering -	<u>\$532,905</u>
Total	\$8,328,897

Stated reasons for the increase in cost from 30% to 60% design were:

- The sanitary sewer crossing replacement at Long Creek was added to the project (~\$122K).
- Additional upstream and downstream channel grading was extended at Long Creek (~\$25K).
- Embankment top of slope for Collins Road was pushed out to the existing/proposed ROW line (~\$92K).
- Temporary asphalt quantities increased to add in the temporary detour to facilitate roundabout construction and to shift the temporary pavement further out at Long Creek to facilitate culvert construction; unit costs also increased (~\$65K).
- Addition of temporary special shoring at Long Creek to facilitate culvert construction (~\$38K).
- Prep ROW cost has increased with the expansion of channel grading limits at Long Creek (~\$31K).
- Additional riprap utilizing grouted stone at Long Creek (~\$110K).
- The overall cost of concrete has increased (based on TxDOT Dallas district moving bid averages).
- The unit cost for 10x9 box culvert has increased (based on TxDOT Dallas district moving bid averages ~\$34K).
- Additional concrete drainage junction boxes at roundabout for drainage requirements (~\$25K).
- Additional concrete box storm drain to handle drainage routed through roundabout (~\$280K).
- The level of work zone complexity at the roundabout has added cost for the Barricades, signs, and traffic handling item (~\$90K).
- Water and sanitary sewer line replacements were added in at the intersection (~\$288K).

On September 1, 2016, Staff received the 90% design from Nathan D. Maier Engineering (NDM) with an updated OPCC of:

OPCC 90%

Collins Rd widening -	\$4,910,741
Roundabout/Intersection -	\$2,229,907
Right of Way (ROW) costs -	\$857,163
Engineering -	<u>\$532,905</u>
Total	\$8,600,716

Stated reasons for the increase in cost from 60% to 90% design were:

- Due to not closing Tripp Road, additional temporary pavement, temporary shoring, and portable concrete traffic barriers required. In addition at 60% the temporary pavement was quantified as the actual HMAC and removal of the HMAC. For the 90% the temporary pavement (installation & removal) has been lumped under the item "Constructing Detours".
- No longer quantifying removal of temp asphalt (-\$50.3k)
- No longer separately quantifying temp asphalt (-\$324.3k)
- Temp asphalt quantified under Constructing Detours (+\$497.9k)
- Additional portable concrete traffic barriers (+\$26.6k)
- Additional temporary special shoring (+\$20.2k)
- McManus & Johnson, further refined final grading on the roundabout, requiring on-site and off-site fill quantities be rebalanced.
- Roadway excavation increased (+\$36.7k)
- Rebalanced on-site fill (+\$63.6k)
- Due to increased excavation off-site fill decreased (-\$136.7k)
- An Irrigation Contingency item was added (+\$20k)
- The roadway illumination foundation was quantified (+\$6.4k)
- The temporary work zone pavement marking were changed to buttons per Dallas County. Buttons and elimination of exist markings are included in the item "Barricades, Signs and Traffic Handling" (-\$20.1k)
- An item was added for Portable Changeable Message Signs (+\$56k)

Both Staff and Dallas County continue to investigate cost saving measures to reduce overall costs of the project. Staff has recently sent a letter to Dallas County requesting they extend their 50/50 commitment to cover the increased costs based on the fact both the County and Town agreed to modify the project limits to include the consolidation of the two Tripp intersections and that the modification enhances the overall safety, effectiveness and efficiency of the project for both the Town and the County.

The engineers from NDM were on hand to answer any questions or provide additional information.

Total project cost (Engineering, ROW & Construction)	\$8,601,144
Less Dallas County Commitment **	<u>\$2,786,000</u>
Remaining balance Town of Sunnyvale	\$5,815,144

** Note: Dallas County MCIP commitment of \$2,871,000 less \$85,000 spent in 2005 for initial design work on Collins Road = \$2,786,000 remaining.

Last month, Council discussed a Certificate of Obligation issuance of \$4,675,000 based on the 30% OPCC. With the substantial increase in cost estimates from the 90% design, it is recommended by First Southwest that Council either take no action or deny the previously discussed Certificate of Obligation.

On September 26, 2016, Staff and FirstSouthwest will present an updated tax impact worksheet illustrating the associated costs of issuing up to a \$5,600,000 Certificate of Obligation. If approved, Staff anticipates recommending Council approve a new notice to accommodate the Collins Road Expansion Project with the following schedule:

9/26: Council approves new notice for Collins Road
9/30: First newspaper publication
10/7: Second newspaper publication
11/14: Authorization and sale of C/O
12/15: Delivery; receipt of funds

Councilmember Egan asked about the significant increase of cost. Councilmember Wade stated he wanted to clarify that Long Creek is not referring to Long Creek Rd. Town Manager Sean Fox stated there are three reasons for the cost increase; increase of the Collins Rd. expansion, increase in the roundabouts, and an increase in infrastructure for future growth.

Mayor Pro-Tem George asked if cause for the increase of costs is due to the passing of time, or if there were things not considered. Town Manager Sean Fox stated at the 30% to 60% analysis there is an indication of a much deeper dive into the engineering of the project. There is also an increase in construction and concrete costs. He believes the increase in cost is due to a combination of the increase in construction costs and increase in the scope of work since the project was originally envisioned.

Mayor Phaup rejoined the meeting at 7:26.

In response to a question by Councilmember Egan, Town Manager Sean Fox stated he has spoken to Dallas County. Dallas County understands the increase in cost and believes that there may be additional funds available. Dallas County does have other projects that may be considered before Sunnyvale. It would have to be presented to Commissioner Price. It could take 2-4 weeks for an answer. Town Manager Sean Fox stated he has submitted the next phase of Collins Road (Tripp Rd. to Town East) for funding but it could take 1-2 years to find out if Dallas County will partner with Sunnyvale. Councilmember Egan stated Dallas County just wants to see a project completed before they team with Sunnyvale. Town Manager Sean Fox stated Dallas County has never indicated they were not willing to support Sunnyvale. When this project was first submitted, Dallas County had the opinion of not right now. That was because there was not much progress on the project.

Engineer Matthew McCloud from Nathan D Maier Engineers stated the increase was due to the need for improvement of existing utilities. In response to a question by Mayor Pro-Tem George, Engineer Matthew McCloud stated these changes were added later and it makes sense to improve now, not 5 years later.

Councilmember Egan asked if these were not recognized in the 30% analysis. Engineer Matthew McCloud stated no they were not. He stated that now the design has changed to allow for a 100-year storm event. Councilmember Wade asked what would cause that type of flooding. Councilmember Wade stated flooding is not currently a problem and it is not intended to be a heavy residential area. Councilmember Hill asked if the cost really needed to more than double the initial cost. The land upstream and downstream is overgrown and it would need to be cleared out to prepare for the water to flow. Councilmember Egan stated the same volume of water is falling on the undeveloped land now and there is not a problem. Engineer Matthew McCloud stated specific storms have to be considered. He stated there has not been a 100-year storm go through yet.

Councilmember Wade asked if \$1.2 million is related to drainage, what was in the original bids for drainage. There is an 80% increase in cost that is related to drainage. Engineer Matthew McCloud stated it was for the Tripp Rd. intersection.

Councilmember Hill asked how this much engineering was missed because the project has been ongoing since 2005. Engineer Matthew McCloud stated he is not the past engineer and cannot answer that question.

Councilmember Wade stated that this project was voted on and is now twice the cost as it was in the beginning. If Council would have had that information up front, other options may have been considered. Mayor Phaup stated that his concern is the breakdown in cost. It is now twice the original cost of what the project was originally estimated. He asked what caused the cost of the right of ways to go up by 10% between the 60% and 90% analysis. Engineer Matthew McCloud stated it is the way Dallas County does the right of way acquisition documents. They want a right of way acquisition document for every easement and parcel. They have a very specific checklist as to how they want documents completed. Mayor Phaup asked if requirements changed between the 60% and 90% analysis and Council was not aware. Engineer Matthew McCloud stated part of it was not being aware, between the 60% and 90% analysis is when those discussions occurred with Dallas County.

Councilmember Ranta asked if the OPCC dated December 2015, totaling \$7.52 million had a contingency amount. Town Manager Sean Fox stated with each iteration the contingency amount goes down.

Town Manager Sean Fox stated part of the right-of-way acquisition with Dallas County was unknown. There were originally 13 parcels that were considered right-of-way acquisitions that would cost about \$2,700 to \$3,000. There are other types of easements and Dallas County has specific documents for each type. The actual right of way that Sunnyvale needs to purchase from conceptual to 90% analysis is about 2,100 square feet larger than what was proposed. He stated he would verify that number.

Dallas County wants an executed document per easement and that increased by \$50,000. Mayor Phaup asked if that was a plug number. Town Manager Sean Fox stated yes that is a plug number. Mayor Phaup asked if that number could go down depending on how much each parcel costs per acquisition and the processing required. Engineer Matthew McCloud stated he nailed down the number of parcels that would need to be defined the way Dallas County requires. If it changes it would change to a lower number. Councilmember Hill asked if there are still 13 parcels. Engineer Matthew McCloud stated there are 18 parcels with different easements.

Mayor Phaup stated at the end of the revised memo in the packet there is a proposed schedule for the reactivation of the physical considerations for staff from Southwest, he recommended a workshop to understand the cost changes and financing options. Council needs to understand the buy-in and payout over the next number of years with the cost increase. He stated the newspaper publication needed to be delayed. Mayor Phaup stated a workshop is needed before the next Council Meeting if Council is available.

Councilmember Wade asked for clarification on the Town Manager's Memo comments. He asked if less pavement was being considered. Town Manager Sean Fox stated it is being considered on the temporary side. Town Engineer Justin Brown stated that with the design that is there, ways to reduce the cost without reducing the product are being considered. This project has temporary pavement. It is a heavy temporary pavement. Reducing costs in that area are being considered, as well as reductions for stabilization. He said there are several changes that are being considered to reduce the cost without jeopardizing the project.

Town Engineer Justin Brown stated that the increase in costs that Council has seen from the 30% analysis level to current is drainage. When engineers put together a cost estimate for a roadway project, it is easy to give cost estimates with certain specifications. It is hard to give a cost estimate on drainage structures because the drainage structures are not sized until the 60% analysis level. They used FEMA flows under existing conditions to size them. That was the most cost effective way to estimate. They looked at several options to cut the drainage costs. The cost increase on the drainage is there because there are no details on design flows to properly size the culverts. What was originally estimated is not adequate to cover the costs for the complexity of this project for drainage.

Councilmember McNeill stated he appreciates the different factors that are being considered for this project. This project has been in the works for 11 years. Council wants to make sure they get it right. He would like to know how much the County is willing to contribute. He stated Council does not want to reduce the life of the road to save money. Council wants to save tax dollars for citizens and not jeopardize the road. There are several projects that are coming up. He would like to see a financial timeline for the projects. He understands there are debt obligations coming off of the books. He would like to understand what is realistically in the budget based on the tax rate. He feels like this is critical information.

Councilmember Egan stated he would like to see Staff put their best foot forward on this project. He would like Staff to be cautious about the unknowns.

In response to Mayor Pro-Tem George, Mayor Phaup stated a meeting needs to happen soon. He stated that Councilmember McNeill made the best point of the evening. Council needs to take this project along with the other projects and prioritize based on money.

FINANCE

- 8. CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "TOWN OF SUNNYVALE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016", INCLUDING THE SECOND READING OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH CERTIFICATES OF OBLIGATION.**

Mayor Phaup stated in the August 29th packet, on page 88, there was a pro forma Ordinance that was intended to finance the Certificate of Obligation. Since the project estimates costs escalated beyond what was projected, he recommended denial of the ordinance and starting fresh.

Councilmember Egan made a motion, seconded by Councilmember Hill, to deny the approval of the issuance and sale of "Town of Sunnyvale, Texas combination tax and revenue certificates of obligation, series 2016", and with all members voting affirmative, the item passed 7/0.

- 9. DISCUSS AND CONSIDER SECOND READING OF AN ORDINANCE BY THE TOWN COUNCIL OF THE TOWN OF SUNNYVALE, TEXAS RATIFYING A PROPERTY TAX RATE OF \$0.407962 FOR TAX YEAR 2016.**

Councilmember Hill made a motion, seconded by Councilmember McNeill to approve an Ordinance by the Town Council of the Town of Sunnyvale, Texas ratifying a property tax rate of \$0.407962 for tax year 2016, and with all members voting affirmative, item passed 7/0.

- 10. DISCUSS AND CONSIDER SECOND READING OF AN ORDINANCE OF THE TOWN OF SUNNYVALE, TEXAS, MAKING APPROPRIATIONS FOR THE SUPPORT OF THE TOWN OF SUNNYVALE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017; AND ADOPTING THE ANNUAL BUDGET OF THE TOWN OF SUNNYVALE FOR THE 2016-2017 FISCAL YEAR.**

Finance Director Liz Hopkins stated Local Government Code (LGC) §102.007(c) requires that adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

Staff recommends approval.

In response to a question by Mayor Phaup, Finance Director Liz Hopkins stated yes, the Town would be operating at a deficit of \$136,936.

Councilmember Hill asked if the Vehicle Replacement Account includes the fire truck and ambulance. Finance Director Liz Hopkins stated yes, the Town does have a capital lease plan. Mayor Phaup asked if there is a reserve pattern for any vehicle that will be capitalized. Finance Director Liz Hopkins stated yes, the Town tries to pay cash.

Town Manager Sean Fox stated the original vehicle replacement plan of the fire engines and ambulances would need to be leased. By the time the vehicles need to be replaced again there will be enough money in the Vehicle Replacement Account to pay cash. Councilmember Hill stated it is important to maintain an appropriate balance. Mayor Phaup stated the debt analysis may need to be changed.

Finance Director Liz Hopkins presented Council with options to fund the water tower. In response to a question by Councilmember Ranta, Finance Director Liz Hopkins stated that Council is free to fund the water tower anyway they want. She stated it is best to preserve the impact fund because the impact fund pays existing debt obligations.

Councilmember McNeill recommended reducing the water impact contribution by \$100,000, reducing the water fund contribution by \$60,000, and increasing the general fund contribution by \$160,000 plus \$3,828. He also wanted to thank Finance Director Liz Hopkins, her staff, and Town Manager Sean Fox for the hard work that went into preparing the budget.

Town Manager Sean Fox stated that Dallas County Budget Officer Ryan Brown was available if there were any questions about the Dallas County Sheriff's Office contract renewal.

Mayor Phaup stated there was a substantial increase in the Dallas County Sheriff's Office contract this year and asked for an explanation. Dallas County Budget Officer Ryan Brown stated the costs are for the services of 12 Deputy Sheriff's, 1 Senior Sergeant, and 1 Investigative Officer.

Mayor Phaup asked for clarification on the allocation of the increase. Dallas County Budget Officer Ryan Brown stated it is primarily the increase in pay to the officers and the rest is for operations. He stated the younger officers will receive a 13% raise and the older officers will receive an 8% increase in pay. They are on the step plan. Mayor Phaup asked if this increase was in line with the other departments in Dallas County. Dallas County Budget Officer Ryan Brown stated yes, it is consistent.

Councilmember Ranta asked for an example of costs that are not being recovered by Dallas County. Dallas County Budget Officer Ryan Brown stated Dallas County Sheriff's Office is dispatching for fire and police in Sunnyvale, which is about 60% of their dispatch calls.

Councilmember Wade asked Dallas County Budget Officer Ryan Brown to justify the road traffic. Dallas County Ryan Brown stated it is a loss to Dallas County.

Councilmember McNeill made a motion, seconded by Mayor Pro-Tem George to approve an Ordinance of the Town of Sunnyvale, Texas, making appropriations for the support of the Town of Sunnyvale for the fiscal year beginning October 1, 2016, and ending September 30, 2017, with the modification to the General Fund as discussed for the water tower; and adopting the annual budget of the Town of Sunnyvale for the 2016-2017 fiscal year, and with all members voting affirmative, item passed 7/0.

11. DISCUSS AND CONSIDER SECOND READING OF AN ORDINANCE BY THE TOWN COUNCIL OF THE TOWN OF SUNNYVALE, TEXAS PROVIDING FOR THE LEVYING OF PROPERTY TAXES FOR TAX YEAR 2016; AND ENACTING PROVISIONS RELATING TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE.

Each component of the tax rate must be approved separately (Tax Code §26.05). The attached ordinance satisfies the requirements of Tax Code §26.05. Staff recommends approval.

Councilmember McNeill made a motion, seconded by Mayor Pro-Tem George, to approve an Ordinance providing for the levying of property tax rate increase by to a rate of \$0.407962 and of that, \$0.339207 is levied for maintenance and operation of the Town and \$0.068755 of the tax rate is specifically levied for debt service, which is effectively a 0% increase in the tax rate, and with all members voting affirmative, item passed 7/0.

**12. DISCUSS AND CONSIDER APPOINTMENTS TO THE TOWN'S BOARDS AND COMMISSIONS INCLUDING:
BOARD OF ADJUSTMENTS
PLANNING & ZONING COMMISSION
4A DEVELOPMENT CORPORATION BOARD OF DIRECTORS
4B DEVELOPMENT CORPORATION BOARD OF DIRECTORS
LIBRARY BOARD**

Mayor Phaup made the following recommendation:

BOARD OF ADJUSTMENTS:

Jean Holt – 2 year term, through 2018
Nick Sloan – 2 year term, through 2018
Dee Blackwood – 1 year term, through 2017

PLANNING & ZONING:

Sarah Mitchell – Alternate Member, appointed as Regular Member, 1 year term, through 2017

4A DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Ross Miracle – 2 year term, through 2018

4B DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Nick Wyse – 2 year term, through 2018

LIBRARY BOARD:

Katherine Martin – 2 year term, through 2018

Shayne Kastleman – 1 year term, through 2017

Motion was made by Councilmember Egan, seconded by Mayor Pro-Tem Mayor Pro-Tem George, to approve the appointments to the Town of Sunnyvale Board and Commissions, and with all members voting affirmative, the item passed 7/0.

MAYOR & COUNCIL

13. MAYOR AND COUNCIL REQUESTS FOR FUTURE STAFF UPDATES AND AGENDA ITEMS.

Councilmember McNeill asked Town Manager Sean Fox to send out an e-mail requesting a schedule from each Councilmember to plan the Workshop.

EXECUTIVE SESSION

Recess into executive session pursuant to Chapter 551, Subchapter D of the Texas Government Code:

EXECUTIVE SESSION AGENDA:

A. SECTION 551.074. PERSONNEL MATTERS

To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:

TOWN MANAGER

Motion was made by Councilmember McNeill, seconded by Councilmember Egan, to recess into Executive Session at 9:07 p.m., and with all members voting affirmative, item passed 7/0.

END OF EXECUTIVE SESSION

Reconvene into open session and take any action necessary as a result of the Executive Session.

14. SECTION 551.074 PERSONNEL MATTERS - TOWN MANAGER

Mayor Phaup reconvened into open session at 9:21 p.m. and stated no action would be taken.

ADJOURN

Mayor Phaup adjourned the meeting at 9:21 p.m.

The undersigned presiding officer certifies that this is a true and correct record of the proceedings.

Mayor Jim Phaup

ATTEST:

Leslie Black, Town Secretary