

THE FLOWER MOUND TOWN COUNCIL WORK SESSION HELD ON THE 17<sup>th</sup> DAY OF AUGUST, 2017, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS AT 6:00 P.M.

Meeting Video Link: <http://flowermoundtx.swagit.com/play/08172017-863> (subject to change)

The Town Council met in a work session with the following members present:

Don McDaniel	Mayor Pro Tem
Kevin Bryant	Deputy Mayor Pro Tem
Jason Webb	Councilmember Place 1
Claudio Forest	Councilmember Place 5

With the following members absent:

Tom Hayden	Mayor
Bryan Webb	Councilmember Place 2

Constituting a quorum with the following members of the Town Staff participating:

Anne Carnes	Administrative Assistant, Legislative Services
Jimmy Stathatos	Town Manager
Debra Wallace	Deputy Town Manager/CFO
Ken Parr	Executive Director of Public Works
Kay Wilkinson	Budget and Grants Manager

**A. CALL WORK SESSION TO ORDER**

Deputy Mayor Pro Tem McDaniel called the work session to order at 6:00 p.m.

**B./C. INVOCATION/PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND THE TEXAS FLAG**

Councilmember Jason Webb gave the invocation and led the pledges.

**D. WORK SESSION ITEM**

- 1 Hold a discussion and provide direction regarding the FY 2017-2018 Proposed Budget, including Community Support funding.

**Staff Presentation**

For the community support funding portion of the budget Ms. Wilkinson indicated that typically the presentations are reserved for new applicants so that Council can learn more about what they do; however, since there were no new applicants, and based on Council's feedback in the past, staff opted to have the top funded organizations come forward, which includes: PediPlace, Children's Advocacy Center, and Youth and Family Counseling.

Representatives from each of these organizations gave a presentation describing their services and associated funding needs.

Ms. Wilkinson or Ms. Wallace gave a presentation identifying or noting:

- Financial Goals Update
- 2017 Debt Service and Tax Rates
- How Flower Mound Compares (benchmark cities) – 2016 Tax Rate; Proposed 2017 Tax Rate; 2017 Population
- Strategic Goals
- Compensation/Benefits
- Changes Since Proposed Budget
- General Fund

### General Fund

	FY 16-17 Estimates	FY 17-18 Proposed	FY 18-19 Projected	FY 19-20 Projected
Beginning Unassigned Fund Balance	\$ 15,156,356	\$ 13,686,373	\$ 13,507,833	\$ 14,631,572
Revenues (Ex P-Tax)	28,492,384	29,311,948	30,043,074	30,676,197
Property Tax	29,577,226	32,349,704	33,320,195	34,319,801
Total Revenues	<u>58,069,610</u>	<u>61,661,652</u>	<u>63,363,269</u>	<u>64,995,998</u>
Expenditures				
Salaries & Benefits	40,320,973	40,334,018	43,561,428	44,868,271
Other Expenditures	19,218,620	17,406,631	18,578,102	19,238,445
Street Maintenance	-	-	100,000	100,000
Non-Discretionary Packages	-	591,755	-	-
Decision Packages	-	3,507,788	-	-
Total Expenditures	<u>59,539,593</u>	<u>61,840,192</u>	<u>62,239,530</u>	<u>64,206,716</u>
Ending Fund Balance	<u>\$ 13,686,373</u>	<u>\$ 13,507,833</u>	<u>\$ 14,631,572</u>	<u>\$ 15,420,854</u>
Fund Reserve Level	22.99%	21.84%	23.51%	24.02%

Decision Packages: \$3,507,788

- \$1,373,529 of this total is one-time cost (39.2%)
- Refer to page 10 in Proposed Budget

- Utility Fund:

### Utility Fund

	Actual 09/30/16	Estimated 09/30/17	Proposed 09/30/18
Beginning Working Capital	\$ 9,154,778	\$ 9,523,053	\$ 9,248,627
Revenues	39,716,164	41,615,273	43,601,978
Expenditures	39,347,889	41,889,699	43,366,769
Ending Working Capital	<u>\$ 9,523,053</u>	<u>\$ 9,248,627</u>	<u>\$ 9,483,836</u>
% of Total Expenditures	24.20%	22.08%	21.87%

Per financial policies, revenues collected in excess of a 90-day level (25%) will be used for capital expenditures in lieu of issuing debt.

Decision Packages: \$291,801

- \$88,458 of this total is one-time cost (30.3%)
- Refer to page 11 in Proposed Budget

- Water/Wastewater Rates:

### Water/Wastewater Rates

	Current FY 2017	FY 2018	FY 2019	FY 2020
<b>Water</b>				
Minimum Bill*	\$ 32.82	\$ 33.80	\$ 34.82	\$ 34.82
2,001-10,000	\$ 3.75	\$ 3.86	\$ 3.98	\$ 4.06
10,001-15,000	\$ 4.93	\$ 5.13	\$ 5.33	\$ 5.49
15,001-50,000	\$ 5.81	\$ 5.83	\$ 6.07	\$ 6.25
over 50,000	\$ 6.29	\$ 6.54	\$ 6.80	\$ 7.01
<b>Wastewater</b>				
Minimum Bill	\$ 19.44	\$ 19.44	\$ 20.02	\$ 20.02
2,000-10,000	\$ 3.95	\$ 3.95	\$ 4.07	\$ 4.07

\* For residential 3/4 inch meter. All other minimum bills will increase in same proportion.

	FY 2017	FY 2018	FY 2019	FY 2020
<b>Average Bill</b>				
Water: 15,000 gallons	\$ 87.47	\$ 90.33	\$ 93.31	\$ 94.75
Wastewater: 8,000 gallons	43.14	43.14	44.44	44.44
	\$ 130.61	\$ 133.47	\$ 137.75	\$ 139.19

- Stormwater Utility Fund:

### Stormwater Utility Fund

	Actual 09/30/16	Estimated 09/30/17	Proposed 09/30/18
Beginning Working Capital	\$ 226,730	\$ 368,966	\$ 456,990
Revenues	1,563,380	1,562,285	1,603,627
Expenditures	1,421,144	1,474,261	1,598,689
Ending Working Capital	\$ 368,966	\$ 456,990	\$ 461,928
% of Total Expenditures	25.96%	31.00%	28.89%

Per financial policies, revenues collected in excess of a 60-day level (16.7%) will be used for capital expenditures in lieu of issuing debt

Decision Packages: \$19,270

- Compensation Package
- Refer to page 11 in Proposed Budget

- Stormwater Utility System Rate
- SWUS Rates for 2017 – 2018
- Special Revenue Funds
- Crime Control & Prevention District Budget

### Crime Control & Prevention District Budget

	Actual 09/30/16	Estimated 09/30/17	Proposed 09/30/18
Beginning Fund Balance	\$ 1,376,713	\$ 455,265	\$ 827,644
Revenues	2,634,121	2,923,000	3,039,880
Expenditures	3,555,569	2,550,621	3,189,835
Ending Fund Balance	\$ 455,265	\$ 827,644	\$ 677,689

Decision Packages: \$560,788

- \$304,045 of this total is one-time cost (54.2%)
- Refer to page 11 in Proposed Budget

- Fire Control, Prevention, & Emergency Medical Services

### Fire Control, Prevention, & Emergency Medical Services District Budget

	Actual 09/30/16	Estimated 09/30/17	Proposed 09/30/18
Beginning Fund Balance	\$ 990,443	\$ 171,573	\$ 487,509
Revenues	2,624,106	2,905,600	3,021,300
Expenditures	3,442,976	2,589,665	2,959,737
Ending Fund Balance	\$ 171,573	\$ 487,509	\$ 549,072

Decision Packages: \$376,375

- \$217,500 of this total is one-time cost (57.8%)
- Refer to page 11 in Proposed Budget

- Capital Improvement Projects (CIP) and streets
- Signal Projects
- Street Reconstruction Projects
- Facilities Projects
- Parks Projects
- Water Projects
- Stormwater Projects
- Wastewater Projects
- Next Steps
- Community Support, including the Cultural Arts Commission recommendation as it relates to arts organizations

and she, Ms. Wallace or Mr. Stathatos responded to questions from Council as follows:

- Additional detail about the sick leave buyback program
- How does the water/wastewater scale change over the years and how does it compare to inflation
- Clarification regarding the phased locations for the Morriss Road street project
- For the Morriss Road project could the remaining advanced funding be used for panel replacement or does it have to be for new construction
- In what year is the funding for the Lakeside to 121 expansion project allocated

- Is the Morriss Road project to be voted on independently or as part of the entire budget
- Does Highland Village have any proportionate share on the signal project at FM 407/Browning intersection
- The option of having community support funding come forward as a line item in the budget for next fiscal year

There was Council discussion as follows:

- For the CIP and the Morriss Road project there needs to be additional time for Council discussion and to allow for citizen input; however, not to the extent of holding up the budget approval
- Appreciation for staff and the hard work in preparing and presenting the budget
- Clarification regarding the budget process and Council's involvement both during the meetings and behind the scenes
- For community support funding:
  - How it is not government's place to decide how taxpayer money should be charitably given
  - Suggestion that contributions be considered line items in the budget under the appropriate department so the beneficiary of these services (the people who can expertly qualify and quantify the return on the investment are making the decision on how much that investment should be) in the interest of making sure taxpayer dollars are being applied in the most efficient and effective way possible.
  - How the total amount of the community support budget equates to \$3.24 per person in Flower Mound for these services, and a challenge for Flower Mound citizens pick one of the organizations and give them \$20 per person in your family. This would provide funding for their services instead of having to be dependent on government.

with Council consensus and direction in the areas of:

- Funding allocation changes for various community support organizations, which mostly entailed bringing the funding in line with last year's allocations
- Given these organizations provide a service to Flower Mound citizens that is currently not provided by the Town, for next year's community support funding, shift to a line item format where funding is allocated to community organizations on a department level within the budget.

#### **E./F. CLOSED MEETING/RECONVENE WORK SESSION**

The Town Council to convene into closed meeting pursuant to Texas Government Code Chapter 551, 551.071 to discuss matters consultation with attorney, as follows:

- a. Discuss and consider economic development incentives, including retail centers, corporate relocation/expansion/retention, hospitality projects, and performance related to certain incentive agreements.

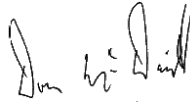
Council did not convene into closed session. No action taken.

Pursuant to Section 551.071 of the Texas Government Code, the Town Council reserves the right to consult in a closed meeting with its attorney and to receive legal advice regarding any item listed on this agenda.

**G. ADJOURN WORK SESSION**

Mayor Pro Tem McDaniel adjourned the work session at 7:24 p.m. on Thursday, August 17, 2017, and all were in favor.

**TOWN OF FLOWER MOUND, TEXAS**



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**DON MCDANIEL, MAYOR PRO TEM**

**ATTEST:**



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**THERESA SCOTT, TOWN SECRETARY**











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09/07/2017

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