

**MINUTES OF THE
REGULAR CALLED MEETING OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS
August 22, 2018**

A regular called meeting of the City Council of the City of Tyler, Texas, was held Wednesday, August 22, 2018 at 9:00 a.m. in the City Council Chambers, 2nd floor of City Hall, Tyler, Texas, with the following present:

Mayor:	Martin Heines
Mayor Pro Tem:	Linda Sellers
Councilmembers:	Don Warren
	Broderick McGee
	Ed Moore
	John Nix
	Bob Westbrook
City Manager:	Edward Broussard
City Attorney:	Deborah G. Pullum
Deputy City Attorney:	Steve Kean
Managing Director of Administrative Services/HR:	ReNissa Wade
Chief Financial Officer:	Keidric Trimble
Chief Information Officer:	Benny Yazdanpanahi
City Fire Chief:	David Coble
City Librarian:	
Director of Neighborhood Services:	Raynesha Hudnell
Police Chief:	Jimmy Toler
Project Engineer:	
Director of Solid Waste & Transit Services:	Russ Jackson
Vehicle/Equipment Services Manager:	Leroy Sparrow
Managing Director of Planning & Economic Development:	Heather Nick
Managing Director of Utilities and Public Works:	Scott Taylor
City Clerk:	Cassandra Brager

INVOCATION

The Invocation was given by Mayor Heines.

AWARDS

A-1 We would like to recognize the following employees for their years of service and commitment to the City of Tyler. At this important milestone, we express our sincere appreciation for their dedication and for the special contribution they make to our organization. They represent 205 years of service with the City of Tyler.

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Service Awards

Date of Hire	First Name	Last Name	Title	Department	Years of Service
8/9/1993	John	Bausell	Police Sergeant IV	Police	25
8/31/1998	Dianna	Brown	Police Officer X	Police	20
8/17/1998	Kenneth	Caudle	Police Officer X	Police	20
8/3/1998	Mark	Layne	Police Officer X	Police	20
8/9/1993	Russell	Jacks	Assistant Police Chief I	Police	25
8/31/1998	Rose	Ray	Human Resource Manager	HR	20
8/30/1993	Terry	Hawkins	Fire/Driver/Engineer	Fire	25
8/11/1988	David	Espinoza	Crew Leader	Water Distribution	30
8/10/1998	Joel	Chacon	Bio-Solids Plant Operator	Utilities/Waste Treatment	20

ZONING

Z-1 C18-005 JIMMY REED (UNIMPROVED PORTION OF SOUTH VINE AVENUE)
Request that the City Council consider approving the closure of an unimproved and improved portion of South Vine Avenue. (O-2018-65)

Mayor Heines - Asked for clarification, if you lived on Terre Haute or Alamo, are you still able to access?

Heather Nick, Managing Director of Planning & Economic Development - Heather said, "yes."

Mayor Heines- Asked, if it's just a larger Right-of-Way, then what is required?

Heather Nick, Managing Director of Planning & Economic Development- Stated, "exactly, nothing is changing as far as the existing pavement, it is just the excess right of way that probably has vegetation and trees growing in it."

Motion by Councilmember McGee; seconded by Councilmember Moore; motion carried 6 - 1 & approved as presented.

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Z-2 C18-006 JIMMY REED (UNIMPROVED PORTION OF TERRE HAUTE DRIVE)
Request that the City Council consider approving the closure of an unimproved portion of Terre Haute Drive. (O-2018-66)

Motion by Councilmember McGee; seconded by Councilmember Warren; motion carried 6 - 1 & approved as presented.

Z-3 PD18-016 JIMMY REED (2959, 2887, 2839, 2825 SOUTH VINE AVENUE AND 3120 OLD NOONDAY ROAD) Request that the City Council consider approving a zone change from “R-1A”, Single-Family Residential District and “R-MF”, Multi-Family Residential District to “PUR”, Planned Unit Residential District with final site plan. (O-2018-67)

Councilmember Warren -Asked, what was the main complaint from the folks that are in red?

Heather Nick, Managing Director of Planning & Economic Development - Stated they were concerned about additional traffic to the area. First, there was some confusion as to what was going to happen with South Vine, that there would not be access, but I think that was resolved. And removal of trees and not understanding the developer’s intent to maintain a lot of those trees because of the flood plain.

Councilmember Westbrook Asked if knowing there is a flood plain that does not run through it but is designated on that last slide that you had. Is there adequate water shed to feed that flood plain once the housing has been completed?

Heather Nick, Managing Director of Planning & Economic Development – Stated, typically those answers come in the next phase of development. However, the applicant is here and he may be able to address some of those questions.

Greg Mitchell, 2026 Republic Dr. - Stated what you are seeing there in the shaded area is not necessarily a flood plain, it is a drainage easement. We have analyzed this area and run a model of this low area, and this is where we know we need to stay out of; this is where the water will spread out to during a hundred year fully developed event. So, what we would like to do is dedicate this area, stay out of it, leave the trees, leave the natural drainage the way it is right now.

Councilmember Westbrook – Stated ok, thank you.

Mayor Heines- Asked if the dotted lines below the circle was a trail.

Greg Mitchell- Stated yes, sir.

Mayor Heines – Stated so, you are staying even further away as well, right?

Greg Mitchell – Stated yes.

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Mayor Heines – Stated so that is not flood way that is marked right there? Is that flood way that is marked in the shaded area?

Greg Mitchell- Stated that the shaded area is a drainage easement, we are going to dedicate that as a drainage easement. So, there will be no development in it, we will leave the trees in it. Just leave it natural basically, like it is now.

Mayor Pro Tem Sellers - Asked so, when that water drains, what happens to it at the end?

Greg Mitchell- Stated that there is an improved channel to the left. It all ends up at Lake Placid, and then it is conveyed under Lake Placid and there is a concrete channel that takes it on down to Old Jacksonville and it just keeps going down through the public drainage system.

Mayor Pro Tem Sellers – Stated she was at the Planning and Zoning Commission meeting and then she watched it again last night on Channel 3. She stated that she thinks that was one of the biggest concerns of the neighbors. That and of course not having the animals and trees there. But, our biggest concern would be drainage because as you know we have got major drainage projects going on right now. Mayor Pro Tem Sellers stated that she spoke with the department head and he assures her that there will not be an issue with that. Mr. McDermott is in the audience today, and I just wanted him to know we have all looked at it and we agree.

Councilmember Nix - Asked, how far are you back Greg, from the end of those different cul de sac there on the south end.

Greg Mitchell- Stated at the end of the cul de sac there, I think it is somewhere between 100-150 feet.

Councilmember Nix- Asked if the density is three per acre?

Greg Mitchell – Stated, “Correct.”

Mr. McDermott, 1614 Bowie Circle– Stated that the concerns that he and his neighbors have is the drainage that comes down South Vine toward Alamo is significant during a hard rain. And, I think the developer is talking about only a curb that will drain from existing Alamo across South Vine and it comes into their development. There is no gutter drainage, so it is going to take all of that water and it is going to turn it to go down their developed road and then drain into the shaded area. And that is my concern, that it will not be adequate. Some other concerns also include what happened to the green belt that was designated, that the people that bought homes in the cul de sacs of Crocket were told that this green belt will not be developed. I know during the Planning and Zoning meeting they said it was never designated as that. But those gentleman have a copy of it being designated that way. What happened to our green belt, our green zone? Talking to the developer, the homes that are on South Vine, all of the trees will be bulldozed and where they are going to put their homes, it is possible to require them to leave the trees that are not in the way? The whole point in having a green zone is to keep the city from becoming what is called an urban sprawl. It takes

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away from the city, the landscape, now you are going to have row homes put in. I do not know why the city cannot say fine, development is fine but not here. Go somewhere else. If that is not agreeable to the City Council, why can we not let them change the zoning, keep it as R-1A and have them develop these homes in a normal manner or like the homes that are there. I still have concerns if the sewer is going to be adequate when all these homes hook up in this concentrated area. Concentration of the traffic is going to be... Alamo Street is going to be a main thoroughfare now. And that is a big concern of the people that live there. Why cannot the City Council say, ok fine developments fine and we want development. There are plenty of places around that they can develop, keep this area green like it was designated. Another concern was the fire station on Frankston was closed, where will our Fire Department be that will supply protection for the homes? They said the concerns of Alamo being the only entry and exit. Is that going to impede the Police and they Fire Departments from servicing these homes? So, these concerns are from the people that live there. We have to put up with it if there is any mistakes done, if there are any problems done. Is this developer going to take care of them? I mean it is going to be very expensive to do the drainage, it is going to be very expensive to take care of these kinds of things if it becomes a problem. Is the city going to help us too? Are we going to get adequate fire and police protection for these people?

Fire Chief Coble – Stated that he was not here when the City relocated that station, but there is still adequate coverage in that area.

Police Chief Toler Stated that with addition to the substation down south the way we pooled our officers everyday, there will be no problem providing services as long as we have a roadway in and we can actually get to the locations. With additional officers we will be adding next year, it just provides additional police out in the field.

Mayor Heines – Asked ok, so the question of the drainage coming down Vine Street and then turning to get to the designated drainage area. How are you gonna do it?

Greg Mitchell - Stated that they are actually right in the middle of the design right now and are planning on having curbance on Vine Street. That is part of what we have to do is provide curb and gutter to Vine. We will improve Vine, make it a full curb and gutter street, it has got curb and gutter on the east side, so we are going to add it to the west side. Then we are going to add curbance to collect the water. What we do just like every other project is we look at the 100 year fully developed storm. So we will size all of our storm sewer, curb and gutter and make sure the street has proper capacity. Where the street runs out of capacity, we will start adding inlets to collect the water and drain it through this drainage easement area.

Mayor Heines – Asked Mr. Socia, were there any deed restrictions on this track that had any reference to this preservation area?

David Socia, 15128 CR 2191 Whitehouse, TX – Stated, no sir, there was not. When we purchased it from the original owner it was not platted, there were no deed restrictions in this particular area of the subdivision. I do believe probably what people were seeing as far as a dedicated green belt, it seems that when Vineyard Estates was developed and platted there is

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an additional outlying area that the owner retained, which is the portion that we are talking about developing now, that did say green belt. It was never recorded that way, it just said it on the plat. So, when we purchased it, there was probably some confusion about whether or not it was an actual green belt, but neighbors seem to think that the City dedicated this area as a green belt and it was not actually zoned for single family residence.

Mayor Heines- Asked if all the trees were going to stay?

Greg Mitchel- Stated that, yes, they are trying their best to talk with the neighbors, hear their concerns. We really just want to go in and only clear the trees that we absolutely have to. Of course, it is expensive to clear trees and do mask rating things like that, if we could keep more trees and still build homes we absolutely would do that. And, of course, according to the Unified Development Code, we have to go back and plant at least one tree, which we will, but the houses as a whole will have a backdrop of trees that you will still see.

Mayor Pro Tem Sellers – Stated the neighborhood protest percentage concerns me. For some time since I have been on Council, I have been concerned about how strong our ordinance is for drainage. You can probably see how much we are spending on drainage this year, and we have a lot of developers who are coming in and developing areas that were previously skipped over because of drainage problems. I just want to be sure that we are addressing those problems because we have had substantial problems in District 1 down by Mud Creek where it is being built up on lots that were previously skipped and said undevelopable. I am going to vote against this just so this Council pays attention to the drainage.

Councilmember Warren- Stated, one thing that kind of comes up over and over is when people buy property and beyond the fences there are some trees and they have been there forever and ever. People have this idea and that is just life that the trees will remain there forever but when it is developed, I mean, some of the trees are just going to have to go, so you are not going to be guaranteed to have trees behind your house forever, unless you buy the property and keep the trees. So there is just no guarantee you are going to have the forest behind your house.

David Socia – Stated that it is zoned for R-1A, so whether we do it or someone else, it is probably just a matter of time.

Scott Taylor, Managing Director of Utilities and Public Works - Stated during our review that is one of the major components we review during development and that is drainage to ensure that it is compliant with our ordinance. Since we do not have detention requirements, we just have to make sure the impact downstream is minimized.

City Manager, Ed Broussard - Stated, and just for clarification purposes, on the zoning process and the development process that there is a little bit of delineation that we should note. On this one they did quite a bit of engineering prior to the re-zoning. Typically though, that is not necessarily the case. Sometimes you have property owners that come in and see can the property be used for the purpose that they are asking for then do the engineering to determine drainage and other development standards. That is the way that Texas Statutes

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work in regards to private property usage. The zoning process comes forward then the development piece comes forward. This is like I said in an instance where you have actually had the potential developer already spend funding for the engineering on the drainage and some of the other things in order to understand what those costs are.

Mayor Pro Tem Sellers - Asked can we continue to do that upfront if we are going to develop these properties.

City Manager, Ed Broussard – Stated you would probably have to change as far as State Law.

Mayor Pro Tem Sellers - Asked how did we accomplish it this time?

City Manager, Ed Broussard – Stated just because we came up on a developer that said let me go ahead and put the essential, the costs upfront to determine if I can use these properties. You have run into it before, I mean, think about the number of the properties you have rezoned over the number of years. Especially decades of rezoning where nothing has ever happened.

Mayor Pro Tem Sellers- Stated and now we have a major drainage project going on.

City Manager, Ed Broussard – Stated, no that is when nothing occurred, that is when you had, we have one that is in fact in your district that was on Mud Creek there that came forward and said hey we want to rezone this property to use for residential purposes. Council gave the approval and then when they really started doing the engineering, came forward and said well it is going to cost us this much money in order to take care of the drainage situation, and we said yes, it is going to cost you that much money in your situation, and they have done nothing.

Mayor Pro Tem Sellers – Stated the one on Chimney Rock? It is being developed now.

Motion by Councilmember McGee; seconded by Councilmember Warren; motion carried 6 - 1 & approved as presented.

Z-4 Z18-028 JOE AND DENISE NELMS (5510 MYERS STREET) Request that the City Council consider approving a zone change from “R-1A”, Single-Family Residential District to “PCD”, Planned Commercial Development District with site narrative. (O-2018-68)

Motion by Councilmember Westbrook; seconded by Councilmember Moore; motion carried 7 - 0 & approved as presented.

PRESENTATIONS

P-1 Request that the City Council consider receiving a presentation from Enprotec/Hibbs & Todd concerning their recommendations and progress on water system improvements studies.

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Scott Taylor, Managing Director of Utilities and Public Works - Stated as the Council is aware, last May, the City had to issue a boil water notice concerning low residual in portions of the City. After that was taken, and we did flushing during a normal TCEQ inspection, we were not able to get the residual up in 24 hours. The City retained Enprotec/Hibbs & Todd to perform a study, that study has been performed, and we have received a graph view of that report. We still have a couple minor comments to that report that need to get corrected or changed in our opinion. Jordan Hibbs with that group is here to present their findings and recommendations going forward. Hopefully, we will avoid these in the future.

Jordan Hibbs made a presentation on Enprotec/Hibbs & Todd recommendation for the water system improvements.

P-2 Request that the City Council consider receiving a presentation of the 10-year Capital Improvements Plan for the Fiscal Year 2018-2019.

Scott Taylor, Managing Director of Utilities and Public Works – Gave a brief presentation of the 10 Year Capital Improvements Plan for the Fiscal Year 2018-2019.

HEARINGS

H-1 Request that the City Council consider conducting a public hearing for August 22 and August 29, 2018 on the proposed Fiscal Year 2018-2019 Annual Budget and on the proposed property tax rate of \$0.244452 per \$100 of taxable property value and consider taking action to adopt the proposed tax rate and Fiscal Year 2018-2019 Annual Budget on September 12, 2018.

City Manager Ed Broussard- Stated that it is our privilege to be before you today to again present to the public the proposed Fiscal Year 2019 programs and services for the City of Tyler in conjunction with the first presentation and first public hearing. The format of our presentation today aligns with the organization's Strategic Plan, which in itself is tied back to Tyler 1st and the City Council's direction. Aligning the budget message to the strategic plan shows how the budget supports the momentum of the City to make progress on its mission and goals. The proposed programs and services before you represents the input and analysis of hundreds of staff, reviewing their ability to enhance their services and answer to the citizens who have asked for improvements. We do not shy away from finding opportunities for improvements. This means cutting funding where appropriate and increasing resources where the programs are having success. It involves understanding priorities for the community, such as parks improvements as identified by the Council or public safety as shown in citizen surveys. This budget reflects those urgencies of the community and provides responsive, responsible solutions. During the past three fiscal years, the City has struggled with General Fund revenues which pays for those services which do not have a direct revenue source. This goes toward Police, Fire, Parks, Streets, Library, Municipal Court and general government services. We've seen sales and use tax revenue experience growth again, increasing 4.96 percent between FY2017 and FY2018. We are projecting a cumulative 1.0 percent growth for FY2019. We developed revenue projections off of each

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of these different components as they show different trends during the past few years. The oil and gas industry especially influences certain areas of the sales tax, especially with mining and service sectors, and we work to balance the volatility of this primary revenue stream with more nuanced projections.

Fines and Fees revenues continues to show declines, with a negative projected difference of 13.13 percent between FY2017 and FY2019, as a net loss of \$621,500. There are several reasons for the loss, including changes in state law on community service options, modifying policies on compounding of multiple citations, and reduction of moving violations citations.

I also want to note that one of the strategies we continue toward is evaluating where other funds or revenue sources can be used to pay towards specific general fund services as appropriate. We'll see this later as we examine the Solid Waste Fund. We look to be creative and innovative with other potential revenue sources where appropriate to reduce the cost of services for our taxpayers. We are recommending a modest tax rate increase from 24 cents to 24.4452 cents per \$100 valuation for FY2019. With a net taxable value of \$7,458,830,497 within the city limits, the additional rate increase of 0.4452 cents will generate \$332,067 over the current rate, with the full net taxable revenue amount to be \$18,214,464.

At our proposed rate of 24.4452 cents per \$100 valuation, a home valued at \$150,000 would be assessed City property taxes of approximately \$360 per household per year, or \$30.55 per month. Less than a penny, the .4452 cent increase would translate to \$6.68 annually. The major change in the property valuations for FY 2019 ties directly to the addition of the former ETMC, now UT Health East Texas as taxable value on the rolls. The purchase of the hospital system adds \$197,428,418, which equates to \$482,618 in additional revenue for the coming year. Without this addition to the tax rolls, we still experience our regular rate of growth in values and additions which reflects the confidence that our citizens and newcomers have in Tyler as a location for residential, business, and industrial growth. We have begun a very aggressive maintenance and repair program for our water and wastewater system, and with that, we have followed the Blueprint model of cash funding to the full extent that we can. During the next ten years,

We expect to cash flow \$48.5 million in utility system improvements. For FY2019 alone, we intend to spend \$9.6 million in cash on water and wastewater system improvements.

The proposed utility rate increases mirror the rate modifications that we set for the current fiscal year. There will be a \$1.00 base rate increase on water and \$1.00 base rate increase on wastewater, along with an increase on the regulatory compliance fee which is directly linked back to debt payments for system improvements required by the Environmental Protection Agency and Texas Commission on Environmental Quality.

The increase for residential users will be \$3.94 per month. For those industrial and businesses that use more than 25,000 gallons per month, they will see a volumetric price increase as well. While the impact will vary depending on how much water is used by the

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customer, for those using 30,000 gallons of water per month, they will see an increase of \$4.10 per month.

30,000 Gallons: \$4.10 Increase

40,000 Gallons: \$4.44 increase

50,000 Gallons: \$4.77 increase

We review the fees associated with development to insure that our costs for materials and services are captured. With this in mind, we are only recommending adjustments to our water and sewer tap fees for cost recovery of these services. We did make adjustments to our residential rate with this current fiscal year, and set in place an annual review of CPI rates for future possible incremental increases. These changes moved the business model of our Solid Waste services from being dependent on commercial customers for subsidization of our residential rates to now having residential customers getting closer to paying in full for the service. The coming year's increase based on our CPI increase of 2 percent is 32 cents, bringing the monthly rate to \$16.39.

In addition, we are recommending a rate increase for curbside recycling program. The existing rate is \$4.50 per month for twice a month pickup, but we are finding that the increasing costs for disposal of the recyclable products is outpacing our collections. Our recommendation for the monthly increase is \$5.25 to ensure full cost recovery.

Since its adoption in 1995, the Half Cent Fund for capital projects has been an incredible success story for Tyler and serves as a model for responsible, sustainable capital program funding.

After 23 years of the program in action, I want to promote its impact on our city. We ran the model for what the addition to our property tax rate may be if we used debt on the \$170 million we've spent since the Half Cent adoption. Our rate would now be approximately 46 cents instead of 24 cents if we had to add an interest and sinking portion to the tax rate. If we didn't issue any further debt than the \$170 million during the past 23 years in this model, we would not be able to fully pay that off and get to a tax rate of 25 cents until 2036.

For the coming fiscal year, we have several projects that move forward to benefit traffic, quality of life, drainage, and public safety using the \$14.2 million we expect to generate and the available funds generated during the current fiscal year to potentially spend a total of \$23.3 million. Fire Station No. 1 at Palace & Gentry and Fire Station No. 4 at Cherry

Hill & Cumberland will be under construction, along with the improvements of Martin Luther King, Jr. Blvd. We have improvements scheduled for Hillside Park and Fun Forest Park, along with drainage enhancements throughout the city. The Half Cent Fund will also pay towards the Traffic Modernization Study that begins the major process of improving the connections between our traffic signals.

On our water utility system, we are budgeted to spend \$2.7 million in cash and \$3.1 million of bond funds for regulatory compliance during FY 2019. This continues the work on improving water quality throughout our city with replacement of water lines,

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looping lines where appropriate, and improvements of filters at the Golden Road Water Treatment Plant.

FY 2019 will be a big year for our wastewater system as we expect to spend \$14.5 million on projects. This includes \$6.3 million in cash and \$7.2 million in bonds. We will move forward with rehabbing the Southside Wastewater Treatment Plant clarifier and substantial work related to the EPA Consent Decree. We're also purchasing easements for the proposed new regional wastewater treatment plant further south from Tyler as we begin planning toward that project which is about ten years out.

The Council set a goal of 81 to reach for the Pavement Condition Index that is conducted on all city asphalt streets and set aside a penny from the tax rate to begin funding a street maintenance program. The \$842K that we estimate for FY 2019 reflects the continued growth of that fund, which we are also recommending increasing the tax rate set-aside to increase it from a penny to 1.125 cents per \$100 valuation. Our goal is that in the next year or two to be able to designate 1.25 cents of the tax rate for the asphalt seal coat program as we still need to increase spending on this program to be able to reach the average rating of 81.

In addition to the Street Maintenance Fund, we are recommending the purchase of a pro-patch truck using commercial solid waste revenues. Our solid waste fleet contribute heavily to the deteriorations of our streets, and provide assistance through franchise fees for street repairs. This additional contribution of \$150,000 from commercial revenues will purchase a vehicle that enhances the pothole and utility cut repairs, and an expected doubling of efficiency, allowing us to focus on pro-active maintenance. We continue this momentum on our parks into FY 2019 by developing a regional parks capital program funded by our commercial solid waste revenue projections and the Keep Tyler Beautiful tipping fee at the landfill. Collectively, we propose spending \$800,000 on regional park improvements and will combine this with funding dedicated from the 1/2 Cent Fund to begin improvements at Lindsey, Fun Forest, Woldert, Southside, Hillside, and Gassaway Parks. We will also continue to seek donations for projects such as the ADA playground anticipated at Southside Park and new features at Hillside Park, which allows for our dollar to go further in renovating our facilities. Our stabilized revenue sources also provide us an opportunity to replace and purchase needed capital replacements with our fleet. We anticipate spending \$4 million on the purchase of 59 vehicles and related equipment, along with the purchase of a new fire engine as part of our replacement program.

I also want to note that we are needing to replace the body cameras used by our police officers. The Tyler Police Department were pioneers in the use of the body cameras for citizen interactions, and the time has come to begin replacing the body cameras with

updated equipment. Chief Toler and staff are working to secure a grant to pay for half of the cost with the City's portion paid from seizure funds. For the past two fiscal years, we have been unable to provide any merit increases for our staff. We did continue with the step pay increases for our police and fire employees, and worked on market adjustments with positions that we found difficulty with either recruiting or retaining. Our employees

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staid dedicated to the City though during these hard years as we saw retention continue to improve. We are recommending a merit increase of 1.5 percent to base pay for our civil service employees, which are our police officers and fire fighters. For non-civil service employees, we are offering a choice-based merit increase based on their performance evaluation, with an option of 1.5 percent to base, which will compound over time, or a lump sum payment of 2.5 percent (not added to base).

We are proposing the addition of two police officers and two firefighters for the second half of the fiscal year, along with an IT Specialist which is funded by revenue gained with contracts that we have with other cities to provide for their IT services. The Library is also converting two of their part-time custodians into one full-time custodian and the addition of a substitute outreach technician, which has no additional costs incurred.

This marks an important opportunity as we unfreeze the remaining 11 positions in our General Fund departments. During the most direct period of our sales tax decline, we had upwards of 50 frozen positions, and this demonstrates the significance of our General Fund stabilization. These positions being unfrozen allow our departments to reach their full effectiveness in the coming year.

During the past three years, we have made substantial adjustments to our Health Fund and its policies. As a self-insured institution, we have pursued changes that balanced the program's costs between the City and the employee. The Health Fund has seen a good year with relatively few major claims and increased costs not being as high as earlier predicted. With the state of the Health Fund, we recommend no increases in premiums for employees. We do request increasing the deductible from \$500 to \$1,000, with the intent of bringing our deductible more towards the market comparison of \$1,500 with FY 2020. We will also consider the option of the HSA and its impact on our Health Fund during the coming year with expectations of a recommendation for FY 2020.

As per the budget and tax rate adoption schedule per state statutes, this is the 1st public hearing on the proposed tax rate and budget. There is a second public hearing to be held at a Special Called Council Meeting on Wednesday, August 29. We expect to bring the tax rate and budget to the Council for adoption at your meeting on September 12.

Public Hearing opened at 10:13 a.m., no one came forward to speak on the budget. Public Hearing was closed at 10:13am.

MISCELLANEOUS

M-1 Request that the City Council consider approving the Smith County 9-1-1 Communications District Proposed FY 2018-2019 District Operating Budget.

Motion by Councilmember Westbrook; seconded by Mayor Pro Tem Sellers; motion carried 7 - 0 & approved as presented.

M-2 Request that the City Council consider authorizing the City Manager to execute Work Order No. 2, in the amount of \$279,300, with KSA Engineers, Inc. for additional work

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to be added to the design of the Golden Road Water Treatment Plant Filters 5–8 Rehabilitation and Chemical Feed System project.

Motion by Councilmember Westbrook; seconded by Councilmember Warren; motion carried 7 - 0 & approved as presented.

M-3 Request that the City Council consider adopting a resolution to authorize the application for and acceptance of Federal Transit Administration (FTA) Grant Funds in the amount of \$1,767,958 for the purpose of providing public transportation for the City of Tyler. This resolution also accepts any grant amendments to increase the grant funding levels. (R-2018-20)

Motion by Councilmember McGee; seconded by Mayor Pro Tem Sellers; motion carried 7 - 0 & approved as presented.

M-4 Request that the City Council consider approving a tax abatement agreement with Hiland Dairy Foods and authorize the City Manager to sign all documents necessary to implement the tax abatement agreement.

Motion by Councilmember Warren; seconded by Councilmember Westbrook; motion carried 7 - 0 & approved as presented.

M-5 Request that the City Council consider approving the North End Residential Building Incentives Program, which includes waivers and reimbursements of certain development costs and removal of the requirement of curb and gutter improvements or escrow.

Motion by Councilmember Nix; seconded by Councilmember Moore; motion carried 7 - 0 & approved as presented.

M-6 Request that the City Council consider accepting a presentation regarding the second quarter health fund financial performance from the City's benefits consultant McGriff, Seibels and Williams and take action with regards to any health insurance plan design changes for Calendar Year 2019.

Lance Pendley, Senior Vice President- McGriff, Seibels and Williams - Gave a quarterly report for the health fund financial performance.

RESOLUTION

R-1 Request that the City Council consider adopting a Resolution authorizing the Police Department to participate with other law enforcement agencies in the submission of a grant request from the Texas Automobile Burglary & Theft Prevention Authority for twenty-seventh year funding in the East Texas Auto Theft Task Force, and authorize the City Manager to enter into a working agreement regarding the same. (R-2018-21)

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Motion by Councilmember Westbrook; seconded by Councilmember Nix; motion carried 7 - 0 & approved as presented.

R-2 Request that the City Council consider adopting a Resolution authorizing the filing of one (1) application with the East Texas Council of Governments (ETCOG) for a Regional Solid Waste Grant, and authorizing the acceptance and use of any grant(s) if awarded, authorizing the acceptance of any increases in grant funding levels, and authorizing the Solid Waste Department to take all actions needed to receive and expend grant funds. (R-2018-22)

Motion by Councilmember Nix; seconded by Councilmember Westbrook; motion carried 7 - 0 & approved as presented.

CONSENT

(These items are considered to be routine or have been previously discussed, and can be approved in one motion, unless a Council Member asks for separate consideration of an item.)

C-A-1 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 321 North Hill Avenue within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-23)

C-A-2 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 517 Maple Street within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-24)

C-A-3 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 706 West 25th Street within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-25)

C-A-4 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 715 North Border within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-26)

C-A-5 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 718 South Confederate within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-27)

C-A-6 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 1006 Britton within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-28)

C-A-7 Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 1010 West 30th Street within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-29)

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- C-A-8** Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 1014 North Border within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-30)
- C-A-9** Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located at 1314 Claude Street within the Tyler city limits and owned by taxing entities including the City of Tyler. (R-2018-31)
- C-A-10** Request that the City Council consider authorizing the City Manager to apply for and accept twelfth year funding under the Comprehensive Traffic Enforcement Grant Program administered by the Texas Department of Transportation.
- C-A-11** Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending June 30, 2018.
- C-A-12** Request that the City Council consider reviewing and accepting the Revenue and Expenditure Report for the quarter ending June 30, 2018.

Motion by Councilmember Westbrook to approve the entire consent agenda; seconded by Councilmember Moore; motion carried 7 - 0 & approved as presented.

CITY MANAGER'S REPORT


Nothing to report

ADJOURNMENT

Motion by Councilmember Nix to adjourn the meeting at 11:13 am; seconded by Councilmember McGee; motion carried 7 - 0 & meeting adjourned.


MARTIN HEINES, MAYOR OF
THE CITY OF TYLER, TEXAS

ATTEST:


CASSANDRA BRAGER, CITY CLERK

