

**Town of Trophy Club
Town Council Regular Session Minutes
Council Retreat
Saturday, January 21, 2023; 9 AM**

The Trophy Club Town Council met in a Regular Meeting on Saturday, January 21, 2023. The meeting was held at Homewood Suites, 2900 TX-114, Trophy Club, TX 76262 in the Trophy Room.

TOWN COUNCIL MEMBERS PRESENT:

Alicia L. Fleury	Mayor
Greg Lamont	Mayor Pro Tem, Place 1
Jeff Beach	Council Member, Place 2
Dennis Sheridan	Council Member, Place 3
Karl Monger	Council Member, Place 4
LuAnne Oldham	Council Member, Place 5
Steve Flynn	Council Member, Place 6

STAFF PRESENT:

Wade Carroll	Town Manager
David Dodd	Town Attorney
Patrick Arata	Police Chief
Jason Wise	Fire Chief
Anita Otterson	Town Secretary
Matt Cox	Community Development Director
April Duvall	Finance Director
Denise Deprato	Human Resources Director
Ernest Gillespie	Chief Financial Analyst
Tamara Smith	Assistant to the Town Manager
Steve Woodard	Police Captain

CALL TO ORDER AND ANNOUNCE A QUORUM

Mayor Fleury called the meeting to order at 9:10 AM and noted a quorum with all Council Members present.

INVOCATION led by Community Development Director Matt Cox.

PLEDGES led by Council Member Beach

Pledge of Allegiance to the American Flag.

Pledge of Allegiance to the Texas Flag.

PUBLIC COMMENTS

There was no one in attendance for Public Comments.

ANNOUNCEMENTS AND REPORTS

- 1. Issuance of Proclamation 2023-02 proclaiming February as Black History Month in Trophy Club (Mayor Fleury).**

Mayor Fleury made a motion to accept the proclamation as read. The motion was seconded by Council Member Beach. The motion passed unanimously 7-0.

- 2. Issuance of Proclamation 2023-03 proclaiming February as Kindness Awareness Month in Trophy Club (Mayor Fleury).**

Mayor Fleury made a motion to accept the proclamation as read. The motion was seconded by Council Member Oldham. The motion passed unanimously 7-0.

CONSENT AGENDA

- 3. Consider and take appropriate action regarding a requisition request for the procurement of services between Sunbelt Pools and the Town of Trophy Club in a not to exceed amount of \$414,117.65 for the replacement of the mechanical components for both pump rooms at the town's community pool facility (T. Jaramillo).**

Mayor Pro Tem Lamont made a motion to approve consent agenda item 3. The motion was seconded by Council Member Beach. The motion passed unanimously 7-0.

COUNCIL RETREAT / GOAL SETTING SESSION

- 4. Discussion of the Town of Trophy Club's strategic direction for the next 3-5 years (W. Carroll).**
 - a. Annual Update from Directors**
 - b. Focus Area Review**
 - c. Estimated Revenues for 2023**
 - d. Full Time Equivalent (FTE) Evaluation**
 - e. Salary Survey Results/Proposed Changes**
 - f. Future Initiatives and CIP**
 - g. State Legislation to Watch**

Trophy Club Police Captain Steve Woodard, 2005 Concord Dr., Flower Mound, TX 75022 spoke regarding item 4E. He stated that the Trophy Club Police Department adheres to the highest standards of policy, practice and procedures. He is concerned that Trophy Club is losing the ability to compete in recruiting and retaining police officers. The highest performing Trophy Club police officer just resigned for a position with a competing agency in part because of our low salary structure. He is asking that Council consider item 4E with the idea that it is foundational to attracting and retaining police officers. He would like to see a pathway that leads to the upper end of our salary structure.

- A. Department Directors met one on one with Council to share information about accomplishments from 2022 for their respective departments and what they were working on for 2023.
 - i. Council Member Flynn suggested that we create a "blog" style presentation for our website to introduce each Director that would include department highlights. Items discussed would be beneficial to residents, not just council.
- B. Wade Carroll presented the 2022 Annual Report, noted highlights from 2022 and touched on the focus areas to be covered in the retreat.
- C. Estimated revenues –
 - i. Wade Carroll reported that the sales tax law changed twice last year. First, sales tax was paid to the point of delivery. We saw about a 16% increase in sales tax revenue. Cities with large manufacturing sued the State comptroller. Then it flipped. It has gone back to the point of delivery. In the last 2 months we have seen about a 2% gain on the same period from last year. We are figuring on 2% being the norm. Based on \$1.4 million in sales tax revenue, 2% gain isn't enough to budget on. So we are keeping sales tax revenue flat.

- ii. Property tax – we have contacted Denton and Tarrant Counties – They are both saying 5%-9% increase on property values. This doesn't take into consideration the homestead exemption. So a property may increase by 30%, but the taxable amount only can go up 10%. So, even if we only see a 5-6% gain this year, we still have the excess from last year that we can count on.
- iii. Fire Department takeover – The fire department is operated by the Town, but funded by the MUD. If we can move them over we can drop the MUD fire tax which is .05625. If we can eliminate that we can raise property taxes in as close to the same amount as possible, so the citizen doesn't feel that much of a change. The only problem is a section of the MUD that is in Westlake. Westlake currently pays \$450,000 per year in taxes to the MUD. So that's \$450,000 in "new" money, that has to be made up. If we eliminate the MUD tax and raise the property tax, we are now short \$450,000. We're looking at the CIP projects for the next 10 years. If we look at the cost in the next three years to replace streets and sidewalks, it's about \$7 million. If we take out a \$7 million CO Bond to cover the CIP, there's an opportunity to lower our I&S rate by \$.01. By lowering the I&S rate, Instead of giving that tax rate back we can move it over to M&O, so we're taking it out of our debt rate and moving it over to our operations rate, so now that's about \$215-220,000 in property tax valuations. So that reduces the shortfall from \$450,000 to about \$230,000. We are also able to consider the fire department services as a new service for the Town. We can take the cost to run the fire department and put it on last year's No New Revenue rate; we can take what it cost to run the Town last year and stack the cost to run the Fire Department on top of that and we can go 3.5% (tax cap) off of that number, further reducing the \$230,000 deficit. If we don't take over the fire department, and our sales tax stays flat, and we see 5% growth in our property values, we'll see new money of \$463,000 over last year.

Council Member Sheridan disagreed with the 5% growth forecast, stating that if we check with realtors they will confirm that there will not be any value increase or homeowners will be able to fight it to get no increase. Values of houses that have sold within the last 30 days are significantly down. He also asked for clarification on the assessed values above 1% that will put us in a shortfall and the assessed value below 3% will trigger an election.

Town Manager Carroll stated that as our values increase we can lower the tax rate to stay at 3.5%. So, if Council wants all of the options presented – option 2 for employees (See item E- Salary Survey), and you want to take over the fire department, and you want to add a police officer and firefighter. If values only go up 3%, then the only way we can pay for that is to go above the 3.5% increase which would trigger an election. We would have to go above the voter approval rate. But, last year we only got 10%, but most values increased on average 16%-18%. We can still capture that 7% because that value is still there.

Mayor Pro Tem Lamont asked if any of this would hinder us from taking over the MUD. Town Manager Carroll stated that the MUD is a proprietary fund for the Town which means it pays us. So, if we take over the MUD, we take over their taxing authority and all of their usage fees – the whole package comes with it. He stated that the MUD wants to turn over the Fire Department and we want to take it over because we can stay competitive on pay. The MUD tax to fund the fire department is only about .07. So the fire department is 90% of what they raise money on. They can only raise about \$70,000 - \$100,000 on their annual cost of the fire department before they hit the rollback amount. If we have to make a huge change in pay or something like that it's going to put them above that voter approval rate. But, when they become ours, they become a smaller piece of a bigger pie. Now, we can absorb those changes without any issues.

Council Member Sheridan asked what the benefit is to the citizens or the Town. Town Manager Carroll stated that the Fire Department is under the control of the Town today, the problem is the funding is not. So, if Chief Wise wants to add a new ambulance or somehow make changes to the service provided, we are only in control of the operations and the MUD is in control of the funding. If Council decides that something is important, we have to go to the MUD and ask if they can afford to give it to us. If they can't it has to go to an election, then we're probably not going to get it.

Mayor Pro Tem Lamont asked if they funded the three additional firefighters. Town Manager Carroll said yes but last year firefighters received a big raise and the MUD didn't fund the raise because it was going to push them over the voter approval rate.

Council Member Oldham asked if we would take over all the MUD capital assets and reserves. Town Manager said Yes, that is what we have agreed to verbally, but we don't have it in writing. He stated that our ILA with the MUD is up in September, and the goal for today is to determine if it is still Council's want to continue in that direction.

- D. FTE – Plan from last year was to hire one additional firefighter for 3 years. We have already hired one last year and have one scheduled to hire in 2024 and 2025. On the police side we have the same thing. We have a position to hire for in 2023 and one in 2024 and there is ½ officer currently on a grant that will come off in 2024 and we will have to figure out that cost. He suggests that one police officer be moved out one year, so that we take on the ½ new officer in 2024 and hire the new officer in 2025.
- E. Salary Survey – Human Resources Director Denise Deprato presented information on the current status of our payroll structure. She reviewed the 22 cities that she used to do her comparisons and stated they were selected because we compete with them for the same employees or because they offer similar services or have a similar population to Trophy Club. She presented 3 options for Council review for amending our current payroll structure. She discussed the compaction problem currently seen with tenured employees continuing to fall in the lower end of the pay range.
 - i. Option 1 – Pay range starts (minimum salary) at 50th percentile and has a 51% spread – 3% increase/year based on time employed by TC – keeps current classification system - \$632,000
 - ii. Option 2 – Pay range starts at 50th percentile, 2% increase/year – maxed at \$10,000 – eliminates the current classification system, based on stand-alone classification - \$355,554
 - iii. Option 3 – Keep the current pay plan as is – doesn't meet 50th percentile – 3% per year increase - \$268,365
- F. Chief Wise spoke about partnering with Roanoke to add a joint Emergency Manager Coordinator position. The position will assist the Town when a major event hits the Town – tornado, flooding, wildfires, mass shootings, etc. The Emergency Manager Coordinator would coordinate all of the resources necessary to respond to the disaster – Who's coming to help us? - American Red Cross, local religious organizations, FEMA. We have a great working relationship with Roanoke, we already share training and cover for each other in mutual aid. We can take advantage of joint training for Council and all staff. We can also combine efforts on a Hazard Mitigation Plan. We have just completed a plan with Denton County, that now needs to be maintained. The position will make sure that we are compliant with everything we need to get the resources available. Oversight of recovery activities would be managed by this position. A joint position would add a lot of value at a much-reduced cost. There is already a group that has implemented this exact plan. He has contacted the Emergency Manager Coordinator and they said the program is working very well. Advantages to Trophy Club – cost savings of shared salary, possibility of other cities joining us, Roanoke's new police department with EOC would be a big resource for us, teamwork with neighboring cities.

Council Member Beach asked if any other cities have done this. Chief Wise said Lake Worth and Saginaw have implemented this and the four cities that he has already mentioned – Duncanville, DeSoto, Lancaster and Cedar Hill. He stated that Westlake is also very interested in joining the group but currently their focus is on hiring firefighters.

Council Member Oldham asked if we partnered with Roanoke for this position who would be responsible for office space, supplies, recruiting, etc. Chief Wise stated that that all needs to be worked out. We would first compile a list of what each town has to bring to the table and go from there, like who has a vehicle, who has office space, etc., then we would create the ILA. We want to make sure that this person spends equal time between the cities, that we share an emergency operations plan and that this person isn't doing tasks outside of their position.

Chief Arata stated that the position would be a great asset coordinating events, and could have been a great resource for recent incidents such as the lost high school student, or missing elderly person.

Council Member Beach asked if there were any grants to fund this position. Chief Wise stated that he will search for grants to fund the position, equipment needed, etc.

Town Manager Carroll stated that Chief Wise is our current Emergency Manager and that we aren't nearly as prepared as we need to be if a major event occurred. He also stated that we're going to have a disaster that takes more than 12 hours to resolve. We have our current Directors to assist us and we can't work

them 24 hours a day. A partnership like this gives us access to one EOC, and 24 Directors, and all the resources that the other cities have to offer. There will be one person to make sure the paperwork happens to ensure the funding happens. Because it doesn't matter how much money FEMA has, if you're not in compliance, you won't receive funding.

Council Member Sheridan asked if there were any other ways to split the position, in lieu of 50/50, since Roanoke is larger in land and developed area. Town Manager Carroll stated that we have just as many chances for a natural disaster as Roanoke does – we have higher population and 4 schools in town so he feels a 50/50 split is correct.

Council Member Sheridan asked what other financial responsibilities would we be responsible for since only salary and benefits has been presented. Town Manager Carroll stated that miscellaneous expenses have been considered in the "cost of position" presented. There will be other costs of doing business. Council Member Sheridan also asked if we share this position have we given up some of our responsibility to Roanoke. Town Manager Carroll said that the responsibility for emergency planning will always be ours.

Council Member Oldham stated that it doesn't matter which town is smaller/bigger, has higher density residential or more commercial, the same requirements, protocol and planning goes into both of them. Mayor Fleury stated that the direction would be to pursue this agreement with Roanoke.

The final topic that Town Manager Carroll spoke on was the Parks Master Plan and last years decision to look at Trophy Club Park as a possible draw for Trophy Club. Parks and Rec Director Tony Jaramillo put together a plan that included each park and improvements that he thinks are important for each park.

Council Member Beach asked what the financial benefit was to the Town from the recent motocross event at Trophy Club Park. Town Manager Carroll said those kinds of numbers are hard to nail down but we can compare hotel rooms occupied for that weekend with other weekends. Related to the use of Hot Funds, Tony has had to start tracking hotel occupancy for baseball tournaments. We can go to the hotels and ask for as little as \$1 off the rate for tournament attendees and that's how we identify the people staying for our events.

Currently, there is a lot of work that needs to be done at Trophy Club Park, and we could have made a lot more money from the organization that ran the race, but, we allowed them to have it for free because they did about \$5,000 of dirt moving to improve the track.

In the master plan there are a lot of ideas for changes to the parks. Once we narrow down the list that we want to complete, we can put a timeline for completion and a cost for each item.

Included in the master plan are the ball parks, the dog park which is one of the most popular parks in Town, and the medians that are maintained by the parks and rec department. We also have the entryway monumentation plan that we're working on that will also include the medians so we have a continuity throughout town. As far as Trophy Club Park, we already have permission from the State to make any of these changes. Our goal is to make Trophy Club a place where people want to come and stay and spend their dollars here.

- G. Wade stated that TML has a great resource for searching for current legislative items. Some that we are watching are the appraisal cap which would reduce the cap for the homestead exemption from 10% to 5%. As a residential community, we rely so heavily on those property values. If we start moving away from the 10% increase then we start having the opposite effect from what legislators actually want. If they lower it to 3% then we're going to have to raise taxes every year. So we have to keep that rate up. He's already spoke to our legislators and April Duval is working on what the rate needs to be, which he will give to the legislators.

Other possible legislation is a property tax installment – we'll have to manage when we get the installments throughout the year – the way we budget and spend throughout the year.

Summary:

Make sure Staff is on same page as council.

Awareness of where we sit financially today and in the future

Providing Services to make trophy club a premiere municipality and the costs associated with these services.

Basic services – street repairs, fire department, police department – we already do well. It may come to the point where we need to do GO bonds to have enough funds to do the premiere services, asking the citizens to choose which services they want.

Moving forward with option 2 salaries, moving forward with police and firefighter hires, getting these items added to the budget. Mayor Fleury stated that she would like to see option 2 salary numbers by March council meeting.

ADJOURN

Mayor Fleury adjourned the meeting at 2:32 pm.

Attest:

Anita Otterson, Town Secretary

Alicia L. Fleury, Mayor