



# GARLAND

## AGENDA

**CITY COUNCIL WORK SESSION**  
**City of Garland**  
**Duckworth Building, Goldie Locke Room**  
**217 North Fifth Street**  
**Garland, Texas**  
**November 1, 2016**  
**6:00 p.m.**

### DEFINITIONS:

**Written Briefing:** Items that generally do not require a presentation or discussion by the staff or Council. On these items the staff is seeking direction from the Council or providing information in a written format.

**Verbal Briefing:** These items do not require written background information or are an update on items previously discussed by the Council.

**Regular Item:** These items generally require discussion between the Council and staff, boards, commissions, or consultants. These items are often accompanied by a formal presentation followed by discussion.

**[Public comment will not be accepted during Work Session  
unless Council determines otherwise.]**

**NOTICE:** The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

- (1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.
- (2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.
- (3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.
- (4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.
- (5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, Tex. Gov't Code.
- (6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.
- (7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:
  - generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
  - bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
  - effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
  - risk management information, contracts, and strategies, including fuel hedging and storage;
  - plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
  - customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]

## 1. Written Briefings:

**a. Bond Refunding - Combination of General Obligation Bonds and Certificates of Obligation**

*Council is requested to consider refunding \$34,870,000 of General Obligation Refunding Bonds (GO), Series 2007A and \$10,655,000 of Certificates of Obligation (CO), Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.*

**b. Bond Refunding - Electric Utility System Commercial Paper Notes**

*Council is requested to consider refunding approximately \$40 million of Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds. The purpose of this transaction is to refund a portion of variable rate commercial paper notes with fixed rate long-term debt. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.*

**c. Bond Refunding - Electric Utility System Revenue Bonds**

*Council is requested to consider refunding \$13,325,000 of Electric Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.*

**d. Bond Refunding - Water and Sewer Utility System Revenue Bonds**

*Council is requested to consider refunding \$18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.*

**e. Investment Portfolio Summary**

*Staff presents the Portfolio Summary report to Council each quarter. The report is in compliance with the requirements of the Public Funds Investment Act. Management of the City's portfolios is conducted in accordance with the City Council Policy Finance-06, Statement of Investment Policy and City Council Policy Finance-05, Statement of Investment Strategy.*

**f. Rate Mitigation Portfolio Report**

*The Rate Mitigation Portfolio Report is provided to Council each quarter. The Report presents investment information regarding the balances held in the Rate Mitigation Fund.*

**2. Regular Item:**

**a. Staff Initiated Neighborhood Vitality Special Projects**

*Council is requested to review the Neighborhood Vitality Staff Initiated Special Project Applications. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.*

### 3. Discuss Appointments to Boards and Commissions

#### Mayor Pro Tem Scott LeMay

- Dylan Hedrick - Plan Commission

### 4. Consider the Consent Agenda

*A member of the City Council may ask that an item on the consent agenda for the next regular meeting be pulled from the consent agenda and considered separate from the other consent agenda items. No substantive discussion of that item will take place at this time.*

### 5. Announce Future Agenda Items

*A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.*

### 6. Council will move into Executive Session

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#### EXECUTIVE SESSION AGENDA

**NOTICE:** The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

1. **The City Council will adjourn into executive session under Sec. 551.071, TEX. GOV'T CODE and Sec. 551.087, TEX. GOV'T CODE to discuss the creation of a tax increment reinvestment zone or the provision of other forms of economic development incentives relating to the development and construction of a residential subdivision on approximately 100 acres of land located generally at the southwestern intersection of Buckingham Road and Shiloh Road in Garland, Texas; and**
2. **Under Sec. 551.071, TEX. GOV'T CODE to discuss pending or contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct relating to OM Housing, LLC.**

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### 7. Adjourn

**GARLAND****POLICY REPORT****City Council Work Session Agenda****Work Session Item 1.a.****Meeting Date:** 11/01/2016**Item Title:** Bond Refunding - Combination of General Obligation Bonds and Certificates of Obligation**Submitted By:** Matt Watson, Finance Director**Council Goal:** Financially Stable Government with Tax Base that Supports Community Needs**ISSUE**

Consider refunding \$34,870,000 of General Obligation Refunding Bonds (GO), Series 2007A and \$10,655,000 of Certificates of Obligation (CO), Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

**OPTIONS**

1. Authorize staff to refund \$34,870,000 of General Obligation Refunding Bonds, Series 2007A and \$10,655,000 of Certificates of Obligation, Series 2007.
2. Do not approve the bond refunding transaction.

**RECOMMENDATION**

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

**BACKGROUND**

Due to the continuation of a low interest rate environment, the City of Garland has an opportunity to refund approximately \$34.9 million in General Obligation Bonds and \$10.7 million in Certificates of Obligation. The refunding transaction will reduce total debt service by approximately \$4.9 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

**CONSIDERATION**

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately \$4.9 million are structured within the tax rate management strategy and long-term debt models.

**GARLAND****POLICY REPORT****City Council Work Session Agenda****Work Session Item 1.b.****Meeting Date:** 11/01/2016**Item Title:** Bond Refunding - Electric Utility System Commercial Paper Notes**Submitted By:** Matt Watson, Finance Director**Council Goal:** Financially Stable Government with Tax Base that Supports Community Needs**ISSUE**

Consider refunding approximately \$40 million of Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds. The purpose of this transaction is to refund a portion of variable rate commercial paper notes with fixed rate long-term debt.

**OPTIONS**

1. Authorize staff to refund approximately \$40 million Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds.
2. Do not approve the refunding transaction.

**RECOMMENDATION**

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

**BACKGROUND**

Construction of capital improvement projects totaling approximately \$40 million have been completed. These projects were funded by variable rate commercial paper notes. The refunding transaction will refund these commercial paper notes with fixed rate long-term debt.

**CONSIDERATION**

The Electric Utility Commercial Paper Program finances the construction of various capital improvement projects for the Electric Utility. Funding capacity of this program is \$60 million with approximately \$40 million of capital improvement projects being completed. Since these projects are complete, it is now necessary to refund the commercial paper notes with Electric Utility System Revenue Refunding Bonds. The Refunding Bonds will be fixed rate debt with a 20 year amortization period. Annual debt service is projected to be \$2.7 million. The net interest cost is projected to be 3.5%. The exact amount of annual debt service and net interest is subject to market conditions between now and the final pricing date of November 15, 2016.



**GARLAND****POLICY REPORT****City Council Work Session Agenda****Work Session Item 1.c.****Meeting Date:** 11/01/2016**Item Title:** Bond Refunding - Electric Utility System Revenue Bonds**Submitted By:** Matt Watson, Finance Director**Council Goal:** Financially Stable Government with Tax Base that Supports Community Needs**ISSUE**

Consider refunding \$13,325,000 of Electric Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

**OPTIONS**

1. Authorize staff to refund \$13,325,000 of Electric Utility System Revenue Bonds, Series 2007.
2. Do not approve the bond refunding transaction.

**RECOMMENDATION**

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

**BACKGROUND**

Due to the continuation of a low interest rate environment, the City of Garland has an opportunity to refund approximately \$13.3 million of Electric Utility System Revenue Bonds, Series 2007. The refunding transaction will reduce total debt service by approximately \$2.2 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

**CONSIDERATION**

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately \$2.2 million are structured within the Electric Utility's long-term financial strategy.



**GARLAND****POLICY REPORT****City Council Work Session Agenda****Work Session Item 1.d.****Meeting Date:** 11/01/2016**Item Title:** Bond Refunding - Water and Sewer Utility System Revenue Bonds**Submitted By:** Matt Watson, Finance Director**Council Goal:** Financially Stable Government with Tax Base that Supports Community Needs**ISSUE**

Consider refunding \$18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

**OPTIONS**

1. Authorize staff to refund \$18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007.
2. Do not approve the bond refunding transaction.

**RECOMMENDATION**

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

**BACKGROUND**

Due to the continuation of a low interest rate environment, The City of Garland has an opportunity to refund \$18.5 million of Water & Sewer Utility System Revenue Bonds, Series 2007. The refunding transaction will save approximately \$2.9 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

**CONSIDERATION**

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately \$2.9 million are structured to achieve level savings each year over a ten year period.



GARLAND

**CITY COUNCIL ITEM SUMMARY SHEET****City Council Work Session Agenda****Work Session Item 1.e.****Meeting Date:** 11/01/2016**Item Title:** Investment Portfolio Summary**Submitted By:** Steve Anderson, Investment and Debt Administrator

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**Summary of Request/Problem**

Staff presents the Portfolio Summary report to Council each quarter. The report is in compliance with the requirements of the Public Funds Investment Act. Management of the City's portfolios is conducted in accordance with the City Council Policy Finance-06, Statement of Investment Policy and City Council Policy Finance-05, Statement of Investment Strategy.

**Recommendation/Action Requested and Justification**

The September 30, 2016 Portfolio Summary is presented to inform the Council. Staff will be available to discuss the report with Council.

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**Attachments**Investment Portfolio Report

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GARLAND

**CITY COUNCIL ITEM SUMMARY SHEET****City Council Work Session Agenda****Work Session Item 1.f.****Meeting Date:** 11/01/2016**Item Title:** Rate Mitigation Portfolio Report**Submitted By:** Steve Anderson, Investment and Debt Administrator

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**Summary of Request/Problem**

The Rate Mitigation Portfolio Report is provided to Council each quarter. The Report presents investment information regarding the balances held in the Rate Mitigation Fund.

**Recommendation/Action Requested and Justification**

The September 30, 2016 Rate Mitigation Quarterly Portfolio Report is presented to inform the Council. Staff will be available to discuss the report with Council.

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**Attachments**Rate Mitigation Report

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**GARLAND****POLICY REPORT****City Council Work Session Agenda****Work Session Item 2.a.****Meeting Date:** 11/01/2016**Item Title:** Staff Initiated Neighborhood Vitality Special Projects**Submitted By:** Scott Bollinger, Neighborhood Resource Manager**Council Goal:** Safe, Family-Friendly Neighborhoods**ISSUE**

Review Neighborhood Vitality Staff Initiated Special Project Applications

**OPTIONS**

1. Approve applications as submitted.
2. Approve applications with modifications.
3. Deny approval of applications.

**RECOMMENDATION**

The Community Services Committee recommends approval for the applications as submitted by the following 3 staff initiated neighborhood vitality projects: Chandler Heights Neighborhood Association, New World Crime Watch, and Town North Village HOA. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting for approval of these applications.

**BACKGROUND**

Proposition 6 was approved by Garland voters in May 2004 and included \$5,000,000 for the Neighborhood Vitality Matching Grant Program. Council has previously indicated that funds would be made available annually for neighborhood improvement projects. The Community Services Committee reviewed the applications on October 18, 2016. Preliminary bids for the projects total \$218,500.

Costs may vary after awards are made and final bids are received.

**CONSIDERATION**

1. Staff initiated projects do not require a match contribution from neighborhood groups. However, since part of the Town North HOA project involves the HOA's screening wall, Town North HOA will pay for the screening wall component of the project in proportion to what is defined in the Neighborhood Vitality Matching Grant guidelines. The City of Garland will not assume ownership of the Town North screening wall as a result of this project.

## **Attachments**

### Staff Initiated Neighborhood Vitality Special Projects Attachments

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