



**CITY OF DENISON
SPECIAL CITY COUNCIL MEETING
MINUTES
(BUDGET WORKSHOP)**

Friday, June 28, 2024

Announce the presence of a quorum.

Mayor Robert Crawley called the meeting to order at 8:00 a.m. City Council present were Mayor Pro Tem Teresa Adams, and Council Members Joshua Massey and Spence Redwine. Council Members Michael Courtright and James Thorne were absent. Council Member Thomas arrived at the meeting at 11:50 a.m. Staff present were Interim City Manager, Bobby Atteberry, Assistant City Manager, Renee Waggoner, City Clerk, Christine Wallentine, and Deputy City Clerk, Karen Avery. Department Directors were also present

1. BUDGET

- A. Receive a report, hold a discussion and provide staff direction on the budget, strategic goals and objectives, capital improvements and organizational priorities, including but not limited to, Police, Fire, Parks and Recreation, Public Works, Streets, Water and Sewer Utilities, Employee Services, Information Technology, the City Manager, the City Attorney, Finance, Main Street, Downtown Denison, Tourism, Economic Development, Housing, Facilities, Community Development, Code Compliance, Municipal Court and other items relating to the quality of life, economic vitality and the health, safety and general welfare of the citizens of the City of Denison.

Council Action

Mayor Crawley called the meeting to order at 8:00 a.m. and welcomed everyone and turned it over to Interim City Manager, Bobby Atteberry who also welcomed everyone and had staff introduce themselves.

FY 2025 Priorities

Bobby Atteberry, Interim City Manager, then discussed FY2025 priorities of the Council which included the following (not necessarily in order of priority):

- Planning for Growth
- Planning and Zoning Ordinance Updates
- Parks & Recreation
- Downtown Development, Historic District and D³
- Infrastructure (Water, Sewer and Streets)

- Facilities

Mr. Atteberry also provided an updated on the Visitor's Center at 321 W. Main Street. Construction has started and a completion date in January of 2025 is anticipated. The Visitor's Center will house Main Street, Tourism, Parks and Recreation and Finance.

Community Engagement: Final Survey Results

Emily Agans, Communications and Media Manager provided information on the survey sent out. Staff mailed out 3,000 surveys (in addition to posting online). 2,779 were delivered (7% were returned due to vacant address), 382 completed written surveys (379 English, 3 Spanish) and there were 92 online responses. The overall response rate is around 14%. Responses broken down by Districts 1-4 showed a pretty even response percentage by district. Ms. Agans provided a summary of the key findings from the survey as follows:

- Safety – Safety remains a top priority
 - 9 in 10 residents felt that overall feeling of safety was essential
 - 7 in 10 feel safe from both violent and property crimes
 - 92% feel very or somewhat safe in neighborhoods during the day
 - 91% feel very or somewhat safe in Downtown Denison during the day
 - 78% feel very or somewhat safe from fire/flood/etc.
- Economy – Residents identify the Economy as a potential area of focus – mixed responses
 - 9 in 10 residents feel the overall economic health of the city is essential or very important
 - Two-thirds approved of the vibrancy of our downtown and overall business/service establishments
 - 3 in 10 gave excellent ratings to employment and shopping opportunities
- Mobility/Streets – Mobility continues to be an area of opportunity
 - 2 in 10 feel the transportation system is excellent (similar numbers in 2020)
 - Positive Response Percentage:
 - Street Repair – 14%
 - Street Cleaning – 27%
 - Street Lighting – 31%
 - Snow Removal – 27%
 - Sidewalk Maintenance – 21%

Other noteworthy results were as follows:

- 92% say utility infrastructure should be an area of focus
- 82% very or somewhat likely to recommend Denison as a place to live
- 84% very or somewhat likely to remain in Denison for the next five years
- 71% say their neighborhood is an excellent or good place to live

Finance: Funding our Future

Laurie Alsabbagh, Finance Director, provided an overview of the budget, operating funds and restricted funds. Ms. Alsabbagh also provided information on the City's operating fund balance policy which requires the City to maintain an unassigned fund balance between 60 and 90 days of expenditures for both the General Operating Fund and Utility Operating Fund, also known as "Days of Reserve."

Ms. Alsabbagh then provided information on the General Fund and Utility Fund Balances and what was budgeted for FY2024 as well as what is projected for FY2024 year end. With regard to the General Fund, FY2024 is projected to have an ending cash balance of \$7,710,640, which equates to 58 days of reserves. With regard to the Utility Fund, FY2024 is projected to have an ending cash balance of \$3,146,181, which equates to 46 days of reserves.

Ms. Alsabbagh also went over the current property tax rate, which is \$0.652034 per \$100 of value and provided information on how the tax payment is allocated. Ms. Alsabbagh provided information regarding property value increases in Denison and comparative cities. Between FY22 and FY23, the average increase amongst the comparative cities was 24.5%, with a 25% increase in Denison. Between FY23 and FY24, the average increase across the comparative cities was 20.7%, with Denison at 15%. Ms. Alsabbagh then went over sales tax revenues. The current sales tax rate is 8.25%, with 6.25% going to the State of Texas and 2.00% going to the City of Denison. This 2.00% is broken up to give 1.5% to the City and .5% to Denison Development Alliance. FY24 projected sales tax revenue is \$11,870,000. Sales tax revenue represents 18-22% of General Fund Revenue.

Ms. Alsabbagh provided a breakdown of the average Denison residential property tax payment, which equates to \$1,182.05 per year (\$98.50 per month, or \$3.24 per day) which goes toward the following:

- Admin and other services - \$361.95
- Police - \$229.88
- Fire - \$205.33
- Public Works - \$179.67
- Parks & Recreation - \$99.18
- Planning & Development - \$51.90
- Marketing, Main Street & Engagement - \$28.51
- Public Library - \$25.63

Ms. Alsabbagh also provided information on the Utility Fund, including water sales history with an estimated \$12,975,000 projected for FY2024 as well as sewer sales history with an estimated \$7,708,500 projected for FY2024.

Ms. Alsabbagh also covered the history of bond issuance/utility debt issuance with \$56,000,000 being issued in FY2024 for water/sewer projects as well as Capital Funds for both the General Fund and Utility Fund.

Total Budget requests for FY2025 total \$24,672,555 with \$6,823,070 for personnel, \$13,028,145 for Capital Projects and \$4,821,310 for line-item increases. Comparatively, FY2024 total requests totaled \$20,033,231.

Ms. Alsabbagh provided upcoming Council meeting dates regarding FY245 planning with updates at the July 15, August 5 and August 19 meetings, and the budget adoption to take place on September 3, 2024.

Development Services: Talented and Tenacious (TNT)

Dianne York, Planner, provided an overview of Development Services, which includes Planning and Zoning, consisting of 1 Planner and 1 Development Coordinator, and Building and Permitting, which consists of 1 Building Official, 1 Senior Building Inspector, 2 Building Inspectors and 3 Permit Techs; Neighborhood Services, which consists of a Neighborhood Services Manager, Management Assistant, Neighborhood Services Supervisor and three Code Compliance Officers. Expectations for the Division include the following: Customer Service, Efficiency, Positive Attitude, Creativity and Partnership Development.

Planning

Ms. York provided information on FY2024 planning and zoning numbers with regard to development applications including annexations, plats and zoning. There are several projects under constructions including the following:

- J&L Wire & Blue Stem Road (commercial)
- The Rosemary & Viking Street (retail and residential)
- Frito Lay (commercial)
- Several downtown buildings (residential and commercial)

Projects on the horizon include the following:

- Hills of Texoma (mixed use)
- Whataburger (drive-thru restaurant)
- The Colony at Parkway Bend (multi-family and single family)
- Denison Self-Storage (self-storage facility and commercial uses).

Ms. York reminded the Council of the top 5 priorities from the 2040 vision session, specifically the priority related to planning to design and implement gateway and corridor standards with common branding. Ms. York also discussed the results of the Austin Avenue Corridor Study and provided a conceptual design from that study.

Accomplishments for the department include the following:

- Predevelopment meeting – process and interdepartmental collaboration
- Preston Harbor Planned Development Document
- Awarded USDOT Safe Streets for all grant with Public Works.

Priority needs for FY24-25 for Planning include the following:

- Staffing – current staffing is no longer sustainable
 - 2023 – received 94 development apps
 - 2024 – to date received 98; 7 Planned Developments with two additional Planned Developments being presented to City Council on July 1st.
 - 476 building permits have been reviewed or approved by staff
- Additional needs
 - Zoning ordinance rewrite, comprehensive plan kick-off (grant applied for) – match secured in FY2023
 - Austin Avenue/Eisenhower Parkway beautification efforts – conceptual design complete; explore funding

Building & Permitting

Kirk Kern, Building Official, discussed the Building & Permitting Department, beginning with comparative numbers for permits issued, inspections, certificates of occupancy and finalized housing units. As of May 31, 2024, the numbers for FY2024 are as follows:

- Permits Issued – 1,401 (FY2022 – 1,489; FY2023 – 1,228)
- Inspections – 9,374 (FY2022 – 8,695; FY2023 -6,991)
- Certificates of Occupancy – 46 (FY2022 – 58; FY2023 – 45)
- Finalized Housing Units – 140 (FY2022 – 369; FY2023 – 171)

Accomplishments for the department are as follows:

- Process of building a new software system
 - Moving from MyGov to MGO (My Government Online)
 - Sept. 1st – Internal live date for training and testing
 - Oct. 1st – Live to Public
 - Will hold Builder’s Meeting in late Sept.
- 1 Building Inspector obtained state plumbing license
- Simplified the Certificate of Occupancy and Residential permitting submittal process with input from builders and contractors

As far as priority needs for FY24-25, Mr. Kern provided the following:

- Staffing
 - Building inspector (rise in inspection: to date = 10,295 inspections)
- Plan reviewer: to date = 2,062 plans reviewed
- Permit Technician: to date = 1,504 permit applications received

Other departmental needs include an increase in training dollars. The cost to train one inspector is \$3,886 and to keep one inspector up to date on their licensing is \$869 per year.

Neighborhood Services – Code Compliance

Robert Lay, Neighborhood Services Manager, provided a recap of work to date in the Code Compliance Department. In FY2024 Code Officers have resolved 15 minimum

property standard (MPS) cases. An additional 141 MPS cases are active. The Property Maintenance Assistance Program and Community Development Block Grant Emergency Repair Funding are close to being expended with no additional applications being accepted. Twenty (20) completed applications for assistance have been received so far year to date. We were able to assist 11 residents with plumbing, roofing, foundation, siding and exterior painting projects. Additional projects are currently out for estimates. The average cost of a project is \$7,595.00. There is significant need for more dollars in these programs.

Accomplishments for the department so far this year include the following:

- The Big Event – 300+ volunteers, 50 locations of residents and non-profits receiving assistance. Work included painting, trimming, debris removal, yard care, repairs to fences, window washing, etc. Next year's date has already been set for March 22, 2025.
- Renovation of East Coast Apartments at 2824 W. Crawford Street
- Renovation of Circle Apartments at 1527 S. Austin Avenue
- Demolition of former mattress factory at 1027 W. Owings Street.

Compliance at these properties make our residents safer and neighborhoods better places to live.

Priority needs for FY24-25 includes support for:

- Increase in training dollars
- Blighted property survey
- Multi-Family and Single-Family Rental Inspection Program
- Program Development: Keep Denison Beautiful and potential Community Garden in partnership with St. Luke's.

Employee Services: Team Denison

Amy Lay, Employee Services Director, provided a breakdown on who is team Denison as follows:

- 38 Divisions
- 15 Locations
- 329 Full Time Employees
- 85 Part Time Employees
- Average age: 38
- Average years of Service: 5
- Male: 70%; Female: 30%
- 45% of staff live in Denison (7% are Oklahomans)

Ms. Lay also provided a breakdown of the areas of work of Team Denison (30% General Gov't, 33% Public Works; 37% Public Safety) and the four generations of employees that make up Team Denison (Millennials, Gen X, Boomers and Gen Z).

The unemployment rate for the Sherman/Denison Metropolitan Area is at 3.35%. This rate represents the number of unemployed people as a percentage of the labor force.

The living wage for Grayson County was provided based on household (1 adult with or without kids, 2 adults (1 working) with and without kids and 2 adults (both working) with and without kids. The overall average hourly wage rate for individuals to meet their basic needs (1 adult/0 children) is \$19.45 in Grayson County (a 26.8% increase from last year), which is below the state level. Ms. Lay also provided information regarding wages and benefits between the private sector and government sector. In FY24, the City Council gave market adjustments as well as a cost-of-living adjustment in the amount of 5%. Market adjustments on average were 20% for Police, 11.7% for Fire and 13% for Non-Civil Service. As far as competing for talent with compensation, before we can consider a Cost-of-Living Adjustment (COLA) we must adjust pay rates to the market standard. Based on our most recent salary survey, of those City of Denison employees who are behind market, the average amount is 8.4%. We took this same approach last year and increasing pay had a great impact on entry level vacancies, especially in Public Works. Ms. Lay provided a current list of vacancies as well as budget requests for additional personnel for the FY25 budget, which were more than 60 requests for additional personnel.

Retention and Recruitment – Benefits

Employee Benefit Congress has been reassembled and has made the following recommendations:

- Increase Employer health contribution (currently the average public sector pays \$967.08/month – City of Denison pays \$542.25/month)
- Increase vacation leave accruals
- Consider compressed work week

To provide a better health plan, we must decrease our loss ratio by eliminating costly claims or increasing premiums. Ms. Lay provided information over the previous two years as to the loss ratio along with medical, prescription and premium costs. Ms. Lay also provided comparative vacation accruals, which shows the City of Denison well behind the average accrual rate. The recommendation for FY2025 is as follows:

- At Hire – 96 hours (12 days)
- 2 Years – 112 hours (14 days)
- 5 Years – 128 hours (16 days)
- 10 Years – 144 hours (18 days)
- 15 Years – 160 hours (20 days)
- 20 Years – 176 hours (22 days)
- Current annual carryover and payouts would not change

Benefit trends in creating work life balance are important. Several cities are offering alternative work weeks including 4 or 4.5 days. Ms. Lay also discussed the 48/96 work schedule that Fire has moved to and how successful it has been.

Public Works

Waterloo Pool Renovations

Ronnie Bates, Director of Public Works, went over the extensive work needed at Waterloo Pool and provided pictures of some of the issues. Mr. Bates also went over the recent Phase 2 of the Facilities Study and the recommendations related to that study.

CIP and Engineering: Building Denison

Fanchon Stearns, CIP/Engineering Manager, went over several processes including the preliminary plat approval process from submittal to the approval letter and Planning and Zoning Commission and City Council actions, residential development process and non-residential development process. Ms. Stearns also discussed work on future ordinances including a land disturbance permit for grease traps downtown, liquid waste transport, civil plan approval timeline and batch plant guidance.

Ms. Stearns discussed the process of master planning (inventory, rate, plan), implementation (fund, construct, manage) and asset management (maintain, track, replace) and the use of planning software to assist with this process. Ms. Stearns also provided details on the Perrin Estates Utility Improvements as well as the two types of repair methods for pipes.

Operations & Maintenance: Public Works Working

Ervin Pariera, Assistant Director of Public Works, outlined the positive changes in FY2024:

- Resources – Staffing
 - Impact of Compensation Adjustments
 - Fewer vacancies across the board
 - Shorter recruitment timelines
 - Better qualified candidates
 - Improved morale and optimism
- Resources – Equipment
 - Modernization and additions to fleet
 - Passenger vehicle fleet average age reduced to <5 years
 - Heavy equipment additions including asphalt maintenance equipment, dump trucks, skid steers, backhoe, solid waste trucks, etc.
- Resources – Funding
 - CIP Project Funding improves existing infrastructure
 - Main and Chandler water line project
 - Waterloo Utility replacement project
 - Duck Creek Interceptor Project

Mr. Pariera also discussed the needs for FY2025 as follows:

- Resources – Staffing
 - Expanding current workforce

- Additional headcount needed in multiple divisions
- Additions will offset additional workload from growth
- Increase in-house project work to offset contract labor expenses. Taps, pipeline, maintenance, etc.
- Resources – Equipment
 - Specialized equipment and backup vehicles
 - Specialized equipment will increase efficiencies and reduce costs
 - Backup vehicles will allow for taking vehicles out of service for preventative maintenance to extend vehicle lifespan and prepare for growth
- Resources – Funding
 - Line-item increases
 - Current budget line items don't sustain 12 months of maintenance and repair activities.
 - Requesting increases in funding for line-items that support critical services, such as street maintenance, utility maintenance, and water/wastewater treatment

Next, Mr. Pariera provided a project update on the pavement condition assessment. Data collection occurred in March of this year and concluded in early April. IMS is currently reviewing data and developing the report. The estimated date for completion of the project is September of 2024. The report will provide a condition assessment rating of all roadway surfaces. It will also provide a GIS data layer with various roadway infrastructure inventory including storm inlets, fire hydrants, manhole covers, curb and gutter, sidewalk, etc. There will be an in-person presentation of the project results along with a five-year plan to the City Council once the report is completed.

Mr. Pariera discussed preparing for growth which included the following:

- Solving Issues w/Existing Infrastructure
 - Growth will rely on existing infrastructure that is aging and in need of repair and capacity upgrades
 - Paw Paw Wastewater Treatment Plan
 - Dean Rylant Water Treatment Plant
 - Duck Creek Sewer Lift Station
 - Iron Ore Sewer Lift Station
 - Collections and Distribution Pipelines
 - Roadways and Right of Way
- Staff Up Appropriately
 - Timely additions to staff headcount in key divisions
 - Largest investment with the greatest return
 - Staff require resources
 - Materials funding levels that are relative to work output capacity
 - Equipment that increases efficiencies and reduces recurring cost

Denison Police Department: Serving, Protecting and Growth

Mike Gudgel, Police Chief, discussed the need for additional positions which includes 4 Police Officer positions, 1 Public Safety Specialist (this is a new civilian position that would be responsible for the duties of crime analyst, quartermaster and administrative tasks throughout the department), and 2 Communications Specialist Positions. Chief Gudgel also discussed the need for additional fleet. As the police department continues to grow, it is crucial that their fleet expands accordingly to maintain and enhance service levels. By planning strategically for fleet expansion, they can manage costs effectively while meeting the needs of our growing city. 6 replacement vehicles and 2 new added vehicles are needed.

Chief Gudgel explained the need for weapons upgrades. Transitioning to the Glock 45 with a red dot sight represents a significant upgrade in the department's capabilities, ensuring that our officers are equipped with the latest and most effective tools. This investment will ultimately lead to increased safety for both officers and the community, as it enables faster and more accurate responses to threats with less collateral damage. Chief Gudgel introduced the idea of motor units and explained the benefits of a motor unit as follows:

- Enhanced mobility and accessibility
- Improved response times
- Traffic enforcement
- Community engagement
- Versatility and flexibility
- Public safety and crime deterrence

As far as budget needs, budget increase in various areas such as professional fees, memberships and subscriptions, training and travel, community outreach, and recruiting are essential for ensuring the Denison Police Department can effectively and efficiently serve its community and remain the premier police agency in the region. For the Denison Police Department to continue providing high quality service, it is crucial to secure budget increases in these areas. Investing in professional development, community engagement, and effective recruitment will not only enhance the department's capabilities, but also ensure the safety and well-being of the Denison community.

Denison Fire Rescue: [Fast Forward](#)

Kenneth Jacks, Fire Chief, began by presenting Denison Fire Rescue's commitment and mission statement which is to demonstrate honor, integrity and servant leadership in all that we do. We will treat citizens and visitors as family. We are committed to providing customer service that exceeds expectations. They will do what is right, what they say they are going to do and be accountable. Chief Jacks provided an update on staffing. There are 62 authorized positions within the Fire Department. Optimal shift is 1 Battalion Chief, 3 Captains, 3 Engineers and 11 Firefighters. Minimum staffing is 1 Battalion Chief, 3 Captains, 3 Engineers and 8 Firefighters. Chief Jacks stated there currently are no vacancies and they have 1 enrolled in fire school and 4 enrolled in paramedic school.

Recent accomplishments for the Fire Department include the following:

- Received ISO 1 rating in January 2023
- 13 Firefighters successfully completed paramedic school
- Began first annual Citizen's Fire Academy
- 6 promotions in the last year

Chief Jacks discussed the need for future stations and their locations. We anticipate a minimum of 7,500 new homes, resort hotel and commercial growth in the next few years. We must now start designing our fourth fire station and relocate Station 2 to accommodate the upcoming city growth and ISO deficiencies.

Station 4 – Preston Harbor

- Design process will take 6 months
- The building process will take 12-18 months

Station 2 – need to move station 2 to Highway 91 and 75

- Better location
- Will be the backup station for Preston Harbor
- Possibly sell our current station 2 and the land or repurpose it for City use
- Addresses ISO deficiencies

Station 4 will need 21 new firefighters to accommodate a Quint and Ambulance. Chief Jacks then went over the options for staffing station 4 which options range in cost from \$1,859,025 to \$1,668,744. They have requested 7 new firefighter positions for FY2025 budget to start the hiring process. Chief Jacks mentioned they have also applied for the Safer Grant back in April and should know the outcome toward the end of the year. If awarded the Safer Grant, they would save \$2,375,702. Station 4 will also require apparatus, which can take up to 3 years to receive. Thus, they have ordered accordingly. All apparatus should be delivered in 2026 and consists of the following:

- 100-foot Quint Custom Cab (\$2,150,000)
- Frazer Ambulance (\$423,633)
- Skeeter Brush Truck (\$282,147)

Chief Jacks reported they have requested several certification pay increases for FY2025. Increasing certification pay is an excellent recruitment and retention tool. They have also requested paramedic pay increase, Fire Marshal pay increase, box pay and FTO pay.

Finally, Chief Jacks discussed the need for a rebuild of Station 1 and provided two options as follows:

Option 1:

- Build a new Station 1/Administration
- Cost will be approx.. \$14 million
- Outdated facility – Built in 1975 (49 years)

- Maintenance costs are steadily increasing
- Not female friendly
 - Open bedrooms
 - Only 1 locker room (shower privacy)
- Difficulty of possibly finding a new location

Option 2:

- Complete remodel of inside is necessary
- Station 1 will be fire station only
 - Large area for modern rebuild
- Do a total remodel of Station 1 – cost will be approx. \$6 million

There were no further presentations.

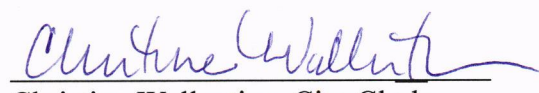
No action taken. Information only.

There being no further business to come before the Council, the meeting was adjourned at 1:12 p.m.



ROBERT CRAWLEY, Mayor

ATTEST:



Christine Wallentine, City Clerk

