MINUTES OF A MEETING OF THE CITY COUNCIL
May 7, 2012
City of Richardson, Texas

A Meeting of the City Council was convened at 6:00 p.m., Monday, May 7, 2012 with a quorum of said Council present, to-wit:

Bob Townsend
Mayor

Laura Maczka
Mayor Pro Tem

Mark Solomon
Council member

Scott Dunn
Council member

Kendal Hartley
Council member

Steve Mitchell
Council member

Amir Omar
Council member

City staff present:

Bill Keffler
City Manager

Dan Johnson
Deputy City Manager

Michelle Thames
Assistant City Manager Administrative Services

David Morgan
Assistant City Manager Community Services

Samantha Woodmancy
Management Analyst

Vickie Schmid
Deputy City Secretary

Gary Beane
Budget Officer

Michael Massey
Director of Parks and Recreation Services

Roger Scott
Asst. Director of Parks & Recreation

Bruce MacPherson
Managing Director – Eisemann Center

Call to order – Mayor Townsend called the meeting to order at 6:03 p.m.

Visitors –

Susan Turitz Cooper, 1116 Greencove Lane, Richardson, expressed concern regarding the proposed Seaway Tar Sands Pipeline scheduled to be implemented by Enbridge in late-May/early-June and urged the Mayor and Council to use their influence with the North Central Texas Council of Governments (NCTCOG) to stop the pipeline from transporting tar sands crude because of the danger of line ruptures and water contamination. Ms. Cooper provided handouts to the Council.

Dick Guldi, 7228 La Sobrina Drive, Dallas, advised that Enbridge plans to reverse the flow of a 36-year-old line to transport unrefined crude from Houston to Michigan, crossing two tributaries of Lake Lavon and two branches of Richland Chambers Lake. Mr. Guldi provided Council with a map showing the route of the pipeline. He expressed his concern regarding the possibility of water contamination, referring to the rupture of Enbridge’s repurposed pipeline which contaminated the Kalamazoo River, Michigan, in 2010 and he urged Council to insist that NCTCOG perform an environmental impact study before allowing the pipeline to be converted to run tar sands crude.

Mayor Townsend recognized a group of students from Bishop-Lynch High School attending the meeting.
Presentation of Proclamation for Asian Pacific American Heritage Month

Mayor Townsend welcomed guests from the DFW Asian-American Citizens Council (DFW AACC) and presented them with a proclamation. Those present to accept the Asian Pacific American Heritage Month proclamation from the Mayor and Council include Marian Gallemore, David Way, Lily Mak, Sammy Yang, Shobhaa Ravi, Jennifer Nguyen, Jessica Yang and Sury Thiagrajan.

Consider Resolution No. 12-04, nominating Councilmember Steve Mitchell to serve as a member of the North Central Texas Council of Governments Executive Board

Mayor Townsend noted that Mr. Mitchell's nomination to serve as member of the NCTCOG Executive Board was before Council for consideration. Mr. Solomon made a motion to approve Resolution 12-04 nominating Steve Mitchell to the NCTCOG Executive Board; second by Mr. Hartley and the motion was approved with a unanimous vote.

Review and Discuss the Water and Sewer Proposed Rate Increase

Mr. Keffler noted that on April 23, preliminary work relative to the proposed rate consideration, which allowed the City to withstand the need to address rates for the past three years, was presented to Council. He noted that the last rate increase was 2008-2009. Mr. Keffler stated that discussions last October identified an imminent need to review water/sewer rates for possible increase. He advised that the 90 Day Reserve balance was at risk if the rate increase is not considered due to the continued rise in debt rate for NTMWD member cities. Mr. Keffler advised that the proposed rate increase anticipates easing Stage 3 restrictions to allow twice weekly watering during summer months. He asked Gary Beane to brief the Council placing a focus on financial indicators for the proposed increase.

Mr. Beane stated that prior to rates established in 2001/2002, NTMWD rates were relatively stable for a 10-year period with yearly wholesale increases thereafter; since that time the City retail water rates were increased five times and sewer rates five times. City wholesale water/sewer rates account for 71% of the operating expenses in the Water/Sewer Fund so any NTMWD increase in costs to the City dramatically impacts expenditures for that fund. He advised that without the increase, the Fund balance would be reduced to 74 days; with the increase, the Fund Balance would be 88-90 Days by year end. Mr. Beane noted that the increase would be split into five usage-based tiers for water and two for sewer and would include a $1.00 base rate increase from $7.00 to $8.00. The average household increase would be $6.50 per month - $4.08 water and $2.42 sewer. He said staff would continue to monitor NTMWD watering restrictions and weather conditions relative to easing the restrictions to twice weekly watering. Mr. Beane advised that May 14th adoption of the water/sewer rate increase would allow for the first billing at the new rate in June.

In response to Mr. Mitchell’s question, Mr. Beane confirmed that a 74 Day Reserve translates into a $2.5 million shortfall in the Fund. He also noted that allowing the Fund balance to drop and remain below 90 days could adversely affect the City’s Bond Rating. Mr. Omar felt the City should communicate the factors that made the increase necessary and the City should make citizens aware that Richardson’s total combined costs are still one of the lowest among NTMWD member cities. Mr. Mitchell suggested communicating to the public that the City has not increased rates for the three years. Ms. Maczka felt communication was key to educate the citizens regarding the measures taken to minimize costs, to identify how Richardson rates
compare to other NTMWD member cities, and to allow twice weekly watering as part of the increase.

It was the general consensus of the Council to move forward with the water and sewer rate increases.

**Review and Discuss the Heights Recreation Center, Heights Aquatics Center and Gymnastic Center Project**

Mr. Keffler stated that cost factoring and value engineering was complete on the Heights Recreation Center, new pool, and gymnastics center projects. He asked David Morgan to update Council on the progress made.

Mr. Morgan stated that staff had worked hard the past few months to review plans, finalize drawings and bid the project. He detailed the Guaranteed Maximum Price (GMP) not to exceed process for the project. Mr. Morgan gave an overview of the Construction-Manager-At-Risk (CMAR) process utilized for this project as follows:

- CMAR competitively chosen based upon qualifications and fee statement;
- Selection Process allows ability to interview key staff including superintendent proposed for this project;
- CMAR works with team to establish schedules and budgets at each phase of the project; and
- CMAR prepares numerous bid packages and works with staff on advertising final construction documents.

He was pleased to announce that Hill & Wilkinson was selected as the Construction Management Team. Mr. Morgan introduced the team members from Hill & Wilkinson and Brinkley Sargent Architects. Once construction documents were complete, Hill & Wilkinson completed a competitive bid process, evaluating costs associated with the project, company backgrounds, and familiarity of work to insure the City receives the best value on each part of the project. He noted that the GMP presented here are in line with previous estimates. The recreation center and aquatics center have been combined into one GMP and the gymnasium will have a separate GMP, with construction contingencies built in to each of the GMP structures. Mr. Morgan recommended adding $191,000 of the Owners Contingency Fund to the GMP construction budget (reserving the remaining $249,000) bringing the total GMP to $13,575,343 for the recreation center, pool and gymnasium.

Mr. Morgan advised that the Alternates identified at previous meetings were bid and the slide, which was the top alternate item, was bid at an additional cost of $370,000. He noted that a decision on alternate items is not needed at this time and that the consultants would work to identify project savings and provide a timeline for decisions on each of alternates. Mr. Morgan confirmed that the Alternates were not included in the GMP and that Council would be asked to prioritize the Alternates at a later time. In response to questions from Council, Mr. Morgan gave examples of possible contingencies, including depth of piers and availability of adequate utility lines and confirmed that Leed certification process costs were approximately $150,000 for both projects. Mr. Dwayne Brinkley commented that working toward lower end Leed certification could be achieved with little additional effort if the certification process is started at the beginning of the project, which he felt would maximize use of public funds. Mr. Morgan also confirmed that any change orders for these projects would come back before the Council for
review and approval and that Hill & Wilkinson would be held accountable to the agreed upon GMP, but the City could increase the GMP if they desired.

Mr. Morgan stated that Hill & Wilkinson is working with Oncor to insure installation of new underground utility lines would be complete in accordance with the construction timeline. He stated that the Gymnasium was anticipated to open in January 2013 and the Recreation Center and Aquatic Center in May 2013, with as little interruption in service as possible.

Mr. Morgan noted that, with consent of Council, the Resolution requesting approval of the GMP is anticipated on May 14, 2012, with groundbreaking planned on May 15 and Hill and Wilkinson ready to mobilize on May 16. It was the general consensus of the Council to move forward with the GMP resolution. Mr. Mitchell asked staff to make the final elevations available to Council for viewing.

Review and Discuss the Proposed 2012-2013 Eisemann Center Presents Season and Eisemann Center Community Interest

Mr. Keffler stated that Council would have the opportunity to review and evaluate 10 years of Eisemann Center productions and to preview the 10th Anniversary Season. He asked Bruce MacPherson to brief the Council.

Mr. MacPherson began with a brief history of the Eisemann Center from initial construction to its grand opening on September 12, 2002. He noted that the Eisemann Center has worked with UTD's Arts & Humanities Dept. on residency programs over the past 7 years and sees an opportunity to work with the new UTD creative arts/technical arts degree programs to provide additional residency opportunities for students moving forward. Mr. MacPherson noted that the City is moving into the second half of the parking agreement with the Renaissance Hotel that will result in increased parking revenues once the agreement term is fulfilled. Mr. Johnson confirmed that a price structure was built in to the agreement which included an inflation index for the remainder of the 55 year lease.

Since its opening, 1.7 Million patrons have attended more than 4,100 events, presented by over 600 clients; volunteers have donated nearly 100,000 hours of time; and 76 art exhibits have been held at the Eisemann Center. Mr. MacPherson also noted that Dallas Business Journal has recently named the Eisemann Center as one of the Top 25 Entertainment Centers in the Metroplex. Of particular note, Patti LuPone and Mandy Patinkin, brought together again by Mr. MacPherson in 2002 as a grand opening act for Eisemann Center, will return on September 15, 2012, after a ten year run touring the nation including 63 performances on Broadway, to join in the 10th Anniversary celebration. Mr. MacPherson stated that a Community Arts Day is planned for September 16th, featuring local artists, hands-on lighting and sound operations experience, talent showcase, and a puppet show for the children. He noted that the 10th Anniversary weekend plans are continuing that will include receptions for front-line staff and contractors, clients, and major donors/sponsors and supporters. A commemorative program is being created with the help of Richardson Living Magazine. Mr. MacPherson presented a sneak-peak video of upcoming 10th Anniversary Season events and programs. He presented a break even budget for the 10th Anniversary Season. Mr. MacPherson concluded by stating that the Eisemann Center will work diligently to establish new programs, tie in to the Cultural Arts Master Plan, identify and build relationships with next-generation donors, create a synergy with the community, and continue to respond to new technical needs of the community and the City.
The Mayor and Council expressed their appreciation for the creative and innovative programs brought to the Eisemann the first ten years and their excitement for the upcoming 10th Anniversary Season. It was the general consensus of the council that the Near Term Action Item – Eisemann Center Community Interest had been sufficiently addressed and is complete.

Report on Items of Community Interest

Mr. Omar reported that a tribute grove of 40 trees was planted at the Cancer Center, each dedicated to family members affected by cancer, which resulted in approximately $20,000 raised to benefit the Cancer Center.

Mr. Solomon complimented the Parks Department staff for their hard work to make the Cottonwood Arts Festival a great event for vendors and patrons.

Mr. Hartley noted that attendance had doubled at the Il Creeks program this past weekend, lending much needed support to Richardson Area Young Life.

Mayor Townsend adjourned the meeting at 9:00 p.m.

ATTEST:

[Signature]
MAYOR

[Signature]
DEPUTY CITY SECRETARY