

**MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL**  
**April 11, 2011**  
**City of Richardson, Texas**

A Regular Meeting of the City Council was held at 7:30 p.m., Monday, April 11, 2011 with a quorum of said Council present, to-wit:

Gary Slagel	Mayor
Bob Townsend	Mayor Pro Tem
Mark Solomon	Council member
John Murphy	Council member
Bob Macy	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
Cliff Miller	Assistant City Manager Development Services
EA Hoppe	Assistant to the City Manager
Pamela Schmidt	City Secretary

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1. **INVOCATION**
  2. **PLEDGE OF ALLEGIANCE: U.S. AND TEXAS FLAGS**
  3. **MINUTES OF THE MARCH 28, 2011 MEETING**

ACTION TAKEN: Mr. Murphy moved to approve the minutes as presented; second by Mr. Omar and the motion was approved with a unanimous vote.

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4. **VISITORS.** (THE CITY COUNCIL INVITES CITIZENS TO ADDRESS THE COUNCIL ON ANY TOPIC NOT ALREADY SCHEDULED FOR PUBLIC HEARING. PRIOR TO THE MEETING, PLEASE COMPLETE A "CITY COUNCIL APPEARANCE CARD" AND PRESENT IT TO THE CITY SECRETARY. THE TIME LIMIT IS FIVE MINUTES PER SPEAKER.)

No visitors.

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5. **CONSIDER APPOINTMENTS TO THE TAX INCREMENT FINANCE ZONE #1 BOARD OF DIRECTORS.**

ACTION TAKEN: Mr. Solomon moved appointment of the following individuals to the TIF Board of Directors. Second by Mr. Macy and the motion was approved with a unanimous vote.

Reappoint Richard Ramey – term expiring 4/9/13  
Reappoint Kimberly Aaron – term expiring 4/9/13

Reappoint Charles Bissell – term expiring 4/9/13  
Reappoint Tony Reynolds – term expiring 4/9/13  
Reappoint Hank Mulvihill – term expiring 4/9/13  
Reappoint Paul Peck – term expiring 4/9/13  
Reappoint Erik Wyse – term expiring 4/9/13

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**ACTION ITEMS:**

**6. CONSIDER ORDINANCE NO. 3816, APPOINTING GEORGE MCKEARIN AS A NEW ASSISTANT MUNICIPAL JUDGE OF THE MUNICIPAL COURT OF RECORD NO. 1 OF THE CITY OF RICHARDSON.**

Mr. Keffler stated the ordinance would add a new assistant municipal judge for the Municipal Court consistent with State statutes regarding Courts of Record. The Ordinance would appoint George McKearin with an unexpired term of office to expire April 27, 2012.

ACTION TAKEN: Mr. Townsend moved approval of Ordinance 3816 appointing George McKearin as a new Assistant Municipal Judge of the Municipal Court of Record No. 1 of the City of Richardson; second by Mr. Mitchell and the motion was approved by a unanimous vote.

City Secretary Pam Schmidt administered the Oath of Office to Mr. McKearin and the Council expressed their appreciation for his service.

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**7. CONSIDER ORDINANCE NO. 3814, AUTHORIZING THE ISSUANCE OF CITY OF RICHARDSON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2011 AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.**

Mayor Slagel announced that Items 7 and 8 would be presented and discussed together but would have separate action. Mr. Keffler acknowledged the attendance of George Williford and Nick Baulich of First Southwest as well as Bob Dransfield of Fulbright & Jawroski, representing the City of Richardson relative to the bond issuances. Mr. Keffler provided background noting that discussion about the commitments of the sales began with the budget process in July 2010. The \$7.9 million commitment consisted of a little over \$3M of tax supported certificates and the remaining \$4.9 would be self supporting Certificates with the utility and solid waste operations. He specifically thanked Dan Johnson, Deputy City Manager and Kent Pfeil, Director of Finance, who have worked the process very closely with the First Southwest team. In addition, there is also a refunding of the 2003 adjustable rate General Obligation bond. He stated it would continue to have a maturity date of 2023. He asked Mr. Williford to brief the Council.

Mr. Williford advised that bids were received on the \$7.965M Certificates of Obligation meaning it was a competitive advertised sell of the issue and four bids were received from underwriting syndicates and the true interest costs rates ranged from 3.394% submitted by BOSCO, Inc. to 3.484% submitted by Baird & Co., Inc. He stated the bulk of the issue, roughly \$3.5M, was water and sewer related and would be payable from water and sewer revenues. Also, \$1.380M is solid waste related and would be repaid from the Solid Waste Fund. He stated that as with all issues, the City is subject to questions and review of the rating agencies. He reported that both S&P and Moody's affirmed the AAA/Aaa ratings previously made. He stated that those are the highest ratings that can be obtained in the credit market by the rating agencies. He noted that Richardson is one of only five Texas cities that have a triple A rating by both of the rating

agencies. He pointed out that the rating agencies are very analytical and objective and so when they make an assessment or make comments, it is to be taken seriously because they are accountable to the entire market place. He stated that both of the rating agencies made comments during the course of the discussion that it was refreshing to hear the Richardson story and it was contrary to what they have been experiencing over the last couple of years with most other cities in Texas because Richardson has been more resilient than the other cities with economic development successes, values have held up better as well as the sales tax revenue. He particularly noted some of the comments as follows:

S&P's comments

- Strong tenured and responsive management
- Historical, very strong financial performance in part due to strong financial policies and practices;
- Moderate or manageable debt levels – the debt position is not over burdened or out of line with what would be deemed acceptable. The financial performance and reserve position remain very strong due to management's proactive approach.
- Diversity of the revenue sources
- Sales tax revenue above budget

Moody's comments

- Strong financial management with historical stability demonstrated by consistent fund balances
- Trend of eight consecutive years of operating surpluses in the General Fund
- Manageable debt position and believe the City's debt burden will remain moderate as prudent debt management practices continue
- Diversity of the tax base and noted that the City is the second largest employment center within the Metroplex

Mr. Williford stated that they also conducted comparative data and found that Richardson has the second highest taxable value per capita of all the cities in the Metroplex including Dallas and Fort Worth. Also, only five of the 12 comparative cities have a lower overall direct debt amount and the debt burden is not at all unmanageable or disproportionate. The City, at 2.9% of the value, that is the direct debt load or ratio, and is not out of line or unacceptable. He also noted that the rating outlook of stable or positive means the rating agencies expect the City will continue to operate and be well managed. He likened the need for debt with mortgaging a home. He felt that debt is a benefit because it puts in place a financial discipline and maintaining appropriate reserves.

Mr. Mitchell felt that there were some in the community that believe that the City has too much debt and asked Mr. Williford to address the metrics and the status of Richardson. Mr. Williford stated Richardson is in line with only 5 of its peers having a lower amount of debt and the second highest value per capita meaning that the debt as it relates to the taxable value is lower than most. He stated that the debt service is not out-of-line, especially noting that 11 cents was approved by the voters with the last two General Obligation authorizations. He advised that getting the voters' approval for the taxes was important to the rating agencies. He reiterated the analogy of the home mortgage when considering the need for debt.

Mr. Murphy noted that approval of the bond program with a tax increase illustrated the citizens' desire to reinvest in the City and asked if the rating agencies take that into consideration when considering the outlook of the city. Mr. Williford replied that the rating agencies want to know that the City has the means and a plan to secure the debt and he noted that over the last 10

years, Richardson has focused on essential purpose projects, which is important to the rating agencies as well.

Mr. Omar asked about the 2.9% and Mr. Williford replied that among Richardson's peer cities, it was average with several cities at a six or seven percent rate. From a debt perspective, the debt could double without it being disproportionately too high or have stressed the capacity. He reiterated that debt capacity is based on need and ability to handle the repayment.

With regard to the refunding issue, Mr. Williford stated it is just keeping the 2003 adjustable rate issue as is. He reported that they received five bids with direct placement where it will adjust every year and the City will still be able to take advantage of interest rates at the short end of the yield curve. The best bid was submitted by Frost Bank and the rate is set at 65% of 12 month LIBOR plus 1.43%. If it were done today, the rate would be 1.94%.

Bob Dransfield, Fulbright & Jawroski, Bond Counsel, stated the ordinances take care of the mechanics associated with the issuance of two obligations described by Mr. Williford. The ordinance establish the principal amounts, the interest rates that have either been bid or negotiated, and authorize the sale to those particular winning bidders or negotiated underwriters. In both instances, the information will be submitted to the Attorney General's Office for approval. The Certificates should be delivered in about a month so the scheduled closing date is May 11, 2011 and the closing of the refunding would be closer to June 15.

ACTION TAKEN: Mr. Omar moved approval of Ordinance No. 3814; second by Mr. Townsend and the motion was approved with a unanimous vote.

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**8. CONSIDER ORDINANCE NO. 3815, AUTHORIZING THE ISSUANCE OF CITY OF RICHARDSON, TEXAS, ADJUSTABLE RATE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011 AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.**

ACTION TAKEN: Mr. Omar moved approval of Ordinance No. 3815; second by Mr. Mitchell and the motion was approved with a unanimous vote.

Mayor Slagel thanked Mr. Williford, Mr. Bulaich, Mr. Dransfield and staff for their work on the two items.

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ALL ITEMS LISTED UNDER ITEM 9 OF THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION IN THE FORM LISTED BELOW. THERE WILL BE NO SEPARATE DISCUSSIONS OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED SEPARATELY:

**9. CONSENT AGENDA:**

ACTION TAKEN: Mr. Murphy moved approval of the Consent Agenda; second by Mr. Omar and the motion was approved with a unanimous vote.

- A. Resolution No. 11-12 approving the terms and conditions of a Project Supplemental Agreement to the Master Agreement Governing Major Capital Transportation Improvement projects, by and between the City of Richardson, Texas, and the County of Dallas, Texas, for the purpose of participating in the Main Street/Belt Line

Road MCIP Project 12105 from Interurban Road to US 75, and authorizing its execution by the City Manager.

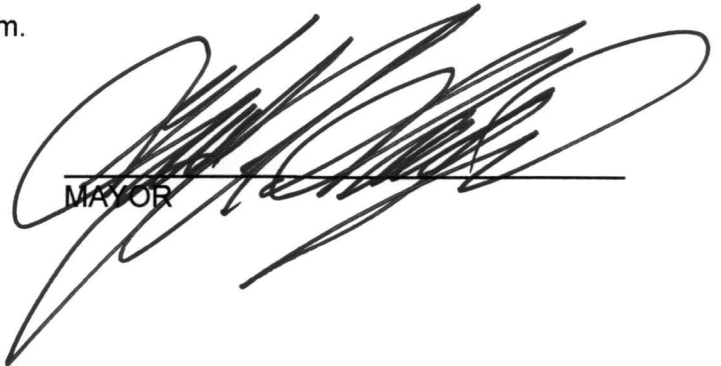
B. Award of the following bids:

1. Bid #35-11 – authorization to issue a Cooperative Annual Requirements Contract for office supplies to Staples Business Advantage in an estimated annual amount of \$175,000 pursuant to contract prices through the National Joint Powers Alliance.
2. Bid #36-11 – authorization to issue a co-op purchase order to Sam Pack's Five Star Ford for a knuckleboom truck for the Solid Waste Department through the Texas Local Government statewide purchasing cooperative Buyboard contract #358-10 for a total expenditure of \$134,124.
3. Bid #37-11 – authorization to issue a co-op purchase order to Professional Turf Products for a high speed turf mower for the Parks & Recreation Department through the Texas Local Government statewide purchasing cooperative Buyboard contract #292-08 for a total expenditure of \$86,706.14.
4. Bid #39-11 – authorization to issue a co-op purchase order to Cummins Southern Plains, LLC for three diesel generators for the Information Services Department through the Houston-Galveston Area Council of Governments contract #GE02-10 in the amount of \$74,508.

Mayor Slagel announced that the Excellence in Education Foundation recognized City of Richardson, the City Council and Staff for receiving the Flame Award for working with the Richardson Independent School District and noted the critical nature of the partnership with RISD as well as UTDallas.

Mr. Omar stated the World Affairs Counsel has a Legislative Fellows Program that gives individuals from different countries an opportunity to come and view government in all levels. He recognized the attendance of Tagot Uganavich from the Kazakhstan Institute for Strategic Studies and Schokurt Abadav who is the Inspector of International Relations in the Law Department in the Direct Control Agency under the President of Tajikistan.

Mayor Slagel adjourned the meeting at 8:12 p.m.

  
MAYOR

ATTEST:

  
CITY SECRETARY

