

JOINT MEETING

FEBRUARY 27, 2017

The City Council and the McKinney Independent School District Board of Trustees of the City of McKinney, Texas met in joint session in the MISD Administration Offices, 1 Duvall Street, McKinney on February 27, 2017 at 6:30 p.m.

Council Present: Mayor Brian Loughmiller, Mayor Pro Tem Randy P. Pogue, Council members: Chuck Branch, Don Day, Tracy Rath, and Travis Ussery. Absent: Council member Rainey Rogers.

City Staff Present: City Manager Paul Grimes; Deputy City Manager Jose Madrigal; Assistant City Manager Barry Shelton; City Secretary Sandy Hart; Planning Director Brian Lockley; Executive Director of Development Services Michael Quint; Chief of Police Greg Conley; Director of Public Works David Brown; Planning Manager Jennifer Arnold; McKinney Community Development Corporation President Cindy Schneible; CIP and Transportation Engineering Manager Gary Graham; Assist Chief of Police Randy Roland; MCVB Director DeeDee Guerra; and Assistant Airport Director Mark Jaraczewski.

MISD Board of Trustees Present: President Bobby Amick, Vice President Curtis Rippee, Secretary Stephanie O'Dell, Board members: Amy Dankel, Kathi Livezey, Maria McKinzie, and Lynn Sperry.

MISD Staff Present: Superintendent Rick McDaniel, Chief Financial Officer Jason Bird; Chief Communications and Support Services Officer Cody Cunningham; Chief Information Officer David Spann; Asst. Superintendent of Secondary Student Support Melinda DeFelice; Asst. Superintendent of Elementary Student Support Suzy Woodard; Chief Human Resource Officer Tamira Griffin; Athletic Director Shawn Pratt; Fine Arts Director Dan White, Cockrill Middle School Band Director Gary Williams, and Faubion Middle School Orchestra Director Kari Zamora.

There were approximately 60 guests present.

President Amick called the Board of Trustee meeting to order at 6:30 p.m. Mayor Loughmiller called the City Council meeting to order at 6:30 p.m.

17-225 Proclamation Recognizing the Cockrill Middle School Band. Mayor Loughmiller presented a Proclamation of Recognition to the Cockrill

Middle School Band for their participation in the Midwest Clinic International Band and Orchestra and Music Conference.

17-224 Proclamation Recognizing the Faubion Middle School Orchestra. Mayor Loughmiller presented a Proclamation of Recognition to the Faubion Middle School Orchestra for their participation in the Midwest Clinic International Band and Orchestra and Music Conference.

17-226 Mayor Loughmiller and Chairman Amick called for a presentation of the City of McKinney's Comprehensive Plan and Future Roadway Alignments. Planning Manager Jennifer Arnold presented an update on the One McKinney 2040 Comprehensive Plan. The One McKinney 2040 Comprehensive Plan provides direction for the City's future growth and development, sets goals for many aspects of civic operations, and typically is comprised of a number of interrelated elements such as land use, transportation, utilities, public services, socio-economic, preservation, and open space elements. The two main pieces includes the City's Future Land Use Plan and Master Thoroughfare Plan as they interact closely together. In 2015, the City initiated a 2040 Comp Plan Update and have worked with the community to come up with the City's preferred scenario. We are still in the middle of the update to guide the growth of the 116 square miles. The preferred scenario focuses on placetypes. We are also working on updating the Master Thoroughfare Plan. The focus over the next few months will be on marrying up the preferred scenario and the Master Thoroughfare Plan. It is anticipated that the One McKinney 2040 Plan will be presented to Council by the end of the year. CIP/Traffic Manager Gary Graham spoke about the five-year Capital Improvements Program, focusing on water, sewer and streets. Mr. Graham spoke about the projects that will impact the MISD. Current projects include the Virginia Parkway project which will widen the roadway to six lanes from U.S. Highway 75 to Ridge Road. A turn lane will be constructed at Joplin to alleviate Minshew Elementary traffic from

stacking onto Virginia Parkway, a traffic signal will be added at Crutcher Crossing, as well as additional turn lanes. Other roadway projects include the widening of Hardin between McKinney Ranch and Highway 121 and the reconstruction of McKinney Ranch from U.S. 75 to the school property. Future projects include a new pump station that will extend water and sewer to the northwest sector. Mr. Graham stated that \$265 million is planned in the next five years toward streets, water and sewer infrastructure projects. The funds are available from city, county and other entities through bonds and grants.

17-227 Mayor Loughmiller called for a presentation on General Growth Areas in McKinney. Planning Manager Jennifer Arnold presented an update on the general growth areas in McKinney. She outlined the areas that are anticipated to be annexed into the McKinney city limits in 2017 through 2020. She stated that the reason cities annex property is for taxing authority or for growth and development and land use protection. About 800 new building permits were issued in 2016 that were within the boundaries of MISD. The City has approved approximately 1,600 residential lots for 2017 of which about 375 are within the MISD boundaries. The City issued five permits for multifamily developments of which two are in the MISD boundaries. Ms. Arnold presented the 2016 parks projects that were recently completed and the 2017 projects currently under construction or planned for future development. Mayor Loughmiller stated that in planning for future development, the Council has requested that 1,000 feet of frontage be retained for commercial or retail development along the main arterial entryways to the City, such as U.S. 75, Highway 121, and U.S. 380.

17-228 President Amick called for a presentation on Future School Sites. Chief Financial Officer Jason Bird presented information about future school sites. The future sites include Timbercreek, located near Erwin Farms, Trinity Falls, where we have three elementary sites and one middle

school site, and farther north on Lake Forest and Laud Howell Parkway, a site for potentially another high school or middle school. The next building site will be determined based on demographics and will more than likely be an elementary school. MISD has been working with City Manager Paul Grimes and his staff on future plans of the City in order to determine the future sites.

17-229 President Amick called for a presentation on the School Resource Officer (SRO) Update. Chief Communications and Support Services Officer Cody Cunningham presented an update on the SRO program. He stated that most neighboring cities look to McKinney to model their SRO programs based on the success of our program. Historically, in 2014-15 MISD began funding twelve months of the SRO salary and benefits for supervisors and 50% of those costs for all other SRO. For 2017-18, in collaboration with the City of McKinney, MISD began contributing \$65,000 toward maintaining the SRO vehicles. A new program, TIP 411, is an anonymous tip line to the SRO from students. These tips are relayed to administrators as well for investigation. This has been an extremely effective program. The SROs receive training from the McKinney Police Department as well as from the school district. Security cameras will be added to all school campuses within the next year internally and externally. In the next few years, security cameras will be added to all the buses. We will research expanding the SRO program so that we do not have to divide time between the middle schools and the elementary schools. Communication between Chief Conley and Dr. McDaniel has truly enhanced the partnership between the school district and the City. Police Chief Conley stated that if the program was awarded additional officers, the location would be determined using geographical distribution depending on the number of officers. Chief Conley stated that the SRO vehicle fleet will be completely updated within one more year.

17-230 Mayor Loughmiller called for a presentation on the Aviation Program - Recognition of Success of Partnership with MISD and McKinney National Airport, Future Growth Plans and How to Maintain and Build on the Program with a Growing Airport. Director of FBO Operations Mark Jaraczewski presented information regarding the MISD and City of McKinney Aviation Program. The airport generates \$1.4 million tax dollars to MISD. It is important to educate our students in the field of aviation so that we can grow this industry in McKinney. In the future we are looking at building a new FBO tower and terminal and perhaps converting the existing building into a McKinney Education Center for aviation. We are working on the best ways to support the MISD program and appreciate the school district working with us to promote this program. There are approximately 200 students in the program and we are not sure of the wait list to get into the program. As far as space requirements, the airport is completely at capacity now with an expansion underway. The space the program is working out of will be under construction to support the airport's demand for space. There will be a two to three year timeframe where we will have to find space for the MISD aviation program. It is important that we plan that soon so this program can continue to operate. Mr. Young, MISD Aviation Program, stated MISD appreciates the collaboration with the City to allow this program to happen. This April the students will complete their plane building project and will invite everyone out to see it fly. Three students have earned their pilots licenses through this program and several have gone on to colleges or technical programs with focus in the aviation industry. In terms of space at the airport, the program could be conducted at another location other than the airport but it would be detrimental to the program. Mr. Jaraczewski stated that in approximately two years, we will have to demolish the building where the MISD students currently operate in order to build a new FBO operations. McKinney

National Airport has approximately 400 acres to the east in which we can expand. The total projected cost for a hangar, office, and FBO is \$16 million. The FBO space is about \$8 million, which is where the MISD classroom would meet. Deputy City Manager Jose Madrigal stated that MISD wants to stay with the program and perhaps we could negotiate with MISD to contribute some funds to the project. This project needs to be moving forward within a year. Hopefully, there are some things we can do in the interim to prevent disruption of the MISD program.

17-231 Mayor Loughmiller and President Amick called for Legislative Updates - Key Bills in the 2017 Session that Impact MISD and the City and Identify Areas of Mutual Concern. Dr. McDaniel stated that there are a couple of bills that will impact the school district and the City. Senate Bill 3, the Voucher Bill, will impact our district. It will take taxpayer dollars earmarked for schools to fund private schools. MISD will not be as impacted as some school districts across the state, but as our property values increase, the amount of State aid we get goes down. To take further tax dollars and use those for private schools affects the money going toward our school district. House Bill 2804 states that we should try to simplify for constituents on how the school system performs. The current system, the STAR, comes close to describing the performance of our schools. The current bill, if approved, does not provide for the private schools to have the same amount of accountability as the public schools. The voucher system will be provided to parents who home school and there is no system of accountability for home schooling. City Manager Grimes stated that the City is closely watching Senate Bill 2, the property tax cap, which will impact the school districts as well. They are stating that property taxes are growing at three times the rate of a homeowner's income, however, they are comparing aggregate numbers to median household income. Mayor Loughmiller stated that property taxes are a product of the tax appraisal system and not necessarily the tax rate set

by the municipality. Senate Bill 715 is the annexation bill and limits the City's ability to annex. Annexation is a way to increase our land mass which increases our tax base. This bill will limit our ability to increase our commercial development through annexation.

17-232 MISD Board of Trustees and City Council May 6th General Elections. City Manager Paul Grimes stated that the City has 16 candidates vying for four position on the May 6th ballot - the Mayor's seat, Council member District 1, Council member District 3, and Council member At-large. Early voting is April 24th through May 2nd at MPAC, Fire Station #5, and the Election Office along with the two Collin College locations. Election Day Vote Centers are Slaughter Elementary, City Hall, Fire Station #5, the John and Judy Gay Library as well as the two Collin College campuses in McKinney. Voters can vote at any early voting or election day locations under full service contract with the Collin County Elections Office. The City will host a candidate orientation on March 17th where staff will brief the candidates on city operations. Mr. Bird stated that the MISD May 6th ballot has four seats on the ballot; one At-large, Place 1, Place 2, and Place 3. Mr. Curtis Rath and Mr. Curtis Rippee (the incumbent) are vying for the At-large seat, Ms. McKinzie is the incumbent and running unopposed for Place 1, Clayton Myhre and Kenneth Ussery are vying for Place 2, and Kathy Livezey is the incumbent in Place 3 and running unopposed.

17-233 MISD Bond Update. Chief Financial Officer Jason Bird presented the MISD bond update. Mr. Bird stated that in tax year 2005-06, the maximum tax rate for M & O was \$1.50 per \$100 valuation. The state decided it needed to give everybody a tax break and in 2007-08 required the school districts to lower the tax rate to \$1.04 and the state made up the difference through Additional State Aid for Tax Reduction (ASATR). MISD was not eligible for ASATR funding in year 2013-14 and was set to lose about \$13 million in tax revenue. A TRE election was held and the

voters approved a \$.13 cent increase in the tax rate to make up the loss. The maximum tax rate for I & S is \$0.50. In 2016-17, MISD lowered the I & S rate by \$0.05. The 2016-17 year is the first sale of the bonds approved in May 2016. Mr. Bird reviewed the spending highlights for the bond funds for the next five school years and stated that in the first year we are expending 35% of the bond funds. In the second year, 25% of the bond funds, third year 23%, fourth year 11%, and fifth year 6%. In 2015-16, MISD collected \$132 million in property tax revenue. In 2016-17, the budget estimate is \$144 million, a difference of \$12 million, which the state will take back the next year in reduced state aid which will create a break even in tax revenue for MISD. Depending on the wealth per student in a district, there are districts that have no state aid and there are districts who receive most of their revenue from state aid. MISD presented an update on the construction of the McKinney ISD Stadium and Events Center.

Dr. McDaniels and the MISD Board of Trustees thanked Mayor Loughmiller for his years of service as Mayor and his continued support of MISD throughout his years as Mayor and as a City Council member.

Council unanimously approved the motion by Mayor Pro Tem Pogue, seconded by Councilwoman Rath, to adjourn. Mayor Loughmiller adjourned the City Council meeting at 8:47 p.m.

Council unanimously approved the motion by Council member Stephanie O'Dell, seconded by Council member Maria McKinzie, to adjourn. President Amick adjourned the McKinney Independent School District Board of Trustee meeting at 8:47 p.m.

BRIAN LOUGHMILLER
Mayor

BOBBY AMICK
MISD President

ATTEST:

SANDY HART, TRMC, MMC
City Secretary