



Town of Highland Park, Texas
TOWN COUNCIL MEETING
A G E N D A

8:00 AM
December 6, 2022

4700 Drexel Drive, Highland Park TX 75205
Town Council Chamber

I. CALL TO ORDER

II. INVOCATION

III. CITIZEN COMMENTS

This is an opportunity for the public to address the Town Council on non-agenda items. In accordance with the Texas Open Meetings Act, the Town Council may not discuss issues raised or make any decision at this time on items that are not listed on the agenda. Issues raised may be referred to Town staff for research and possible future action.

IV. CONSENT AGENDA

All items under the Consent Agenda are considered to be routine by the Town Council and will be enacted by one motion and vote. There will be no separate discussion of items unless a request by a Council Member is made prior to the time of the Town Council voting on the motion. In such event, the item will be removed, without debate, from the general order of business and considered in its normal sequence.

- A. Consider approval of the minutes of the Town Council meeting held on November 1, 2022.
- B. Consider approval of the minutes of the Town Council study session held on November 1, 2022.

V. MAIN AGENDA

- A. Consider approval of an ordinance authorizing Cost of Living Adjustments and Updated Service Credits through the Texas Municipal Retirement System, effective January 1, 2023.

VI. ADJOURNMENT

Any item on this posted agenda could be discussed in closed session as long as it is within one of the permitted categories under Sections 551.071 through 551.076 and 551.087 of the Texas Government Code.

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon being recognized by the presiding officer or the consent of the body.

SPECIAL ACCOMMODATIONS FOR TOWN COUNCIL MEETINGS: Let us know if you need special assistance of any kind.

Please contact the Town of Highland Park Administrative staff at (214) 521-4161 from 7:30 a.m. to 4:30 p.m., Monday through Friday.



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: December 6, 2022

Department: Town Secretary

Presenter: Joanna Mekeal

TITLE

Consider approval of the minutes of the Town Council meeting held on November 1, 2022.

BACKGROUND

RECOMMENDATION

FINANCIAL IMPACT

ATTACHMENTS:

File Name	Description
2022-11-1_TC_Minutes.pdf	Minutes of the Town Council 2022-11-01

MINUTES OF A MEETING OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD AT THE TOWN HALL, 4700 DREXEL DRIVE, HIGHLAND PARK, TX, 75205, AT 8:00 A.M. ON TUESDAY, NOVEMBER 1, 2022.

Present at the meeting were Mayor Will C. Beecherl, Mayor Pro Tem Craig Penfold and Town Council Members Marc Myers, Lydia Novakov, Don Snell, and Leland White.

Mayor Beecherl introduced himself, and called the meeting to order at 8:00 a.m.

Council Member Leland White gave the Invocation.

Mayor Beecherl asked if anyone wished to address the Town Council and explained that the Town Council may not discuss or make decisions on items not listed on the agenda. Issues raised may be referred to staff for research and possible future action. No comment was made.

PUBLIC HEARING

Conduct a public hearing to receive a recommendation from the Zoning Commission and public comments regarding a request to amend the Town's Zoning Ordinance by combining the properties at 3524 and 3528 Beverly Drive into a combined building site. Hugh Pender, Director of Development Services, explained that the Zoning Commission conducted a public hearing on September 28, 2022, to receive public comments and review a request to combine 3524 and 3528 Beverly Drive into one building site. No citizens spoke in favor or in opposition of the request. At the public meeting, the property owner affirmed their understanding that if the request is approved, the combined building site cannot be subdivided in the future. The Zoning Commission voted unanimously to recommend approval to the Town Council. At the conclusion of the Town Council public hearing, an ordinance will be presented to the Town Council for consideration to combine and re-zone the properties into a combined single-family building site, and if approved, an action item to consider approval of the re-plat. The property owner has advised the purpose of combining the two lots is to incorporate the lot at 3524 Beverly Drive into the lot at 3528 Beverly Drive to construct a new 14,560 square-foot home with construction commencing in December 2022. Mayor Beecherl asked if anyone wished to make a comment, to which there was none.

CONSENT AGENDA

On a motion by Mayor Pro Tem Craig Penfold, seconded by Council Member Don Snell, the Town Council voted unanimously to approve Items A. through B. on the Consent Agenda. Prior to the vote, Mayor Beecherl explained that the Town Council reviewed these items prior to the meeting.

A. Consider approval of the minutes of the Town Council meeting held on October 18, 2022.

B. Consider approval of the minutes of the Town Council study session held on October 18, 2022.

MAIN AGENDA

Consider approval of an ordinance amending the Town's Zoning Ordinance by combining 3524 and 3528 Beverly Drive into one building site and adding 3528 Beverly Drive as a combined building site in Code of Ordinances, Zoning Ordinance, Chapter 14, Subsection 26-101(b). Hugh Pender, Director of Development Services, explained that this agenda item is a companion to the Town Council Public Hearing. Combining the properties at 3524 and 3528 Beverly Drive on the Zoning Map will create a combined building site. The address of 3528 Beverly Drive will be added to the list of combined building sites in Subsection 26-101 (b) of the Town's Zoning Ordinance. In response to questions raised by Council Member Myers and Mayor Pro Tem Penfold, Mr. Pender explained that the owner was not present; however, the owner is aware that this process is permanent and irreversible, running with the property in perpetuity. A statement acknowledging such is contained on both the signed application and the proposed replat document that will be recorded with Dallas County. In response to a question raised by Council Member White, Mr. Pender explained the property owner is aware that the Town requires the construction be completed within two years. On a motion by Mayor Pro Tem Craig Penfold, seconded by Council Member Lydia Novakov, the Town Council voted unanimously to approve an ordinance amending the Town's Zoning Ordinance by combining 3524 and 3528 Beverly Drive into one building site and adding 3528 Beverly Drive as a combined building site in Code of Ordinances, Zoning Ordinance, Chapter 14, Subsection 26-101(b).

ORDINANCE NO. 2112

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS AMENDING CHAPTER 14 ZONING, ARTICLE 14.02 ZONING ORDINANCE EXHIBIT A, SECTION 4 ZONING DISTRICT MAP, OF THE CODE OF ORDINANCES OF THE TOWN OF HIGHLAND PARK, TEXAS, BY CREATING 3528 BEVERLY DRIVE AS A BUILDING SITE; AMENDING SECTION 26-101(B) TO INCLUDE 3528 BEVERLY DRIVE AS A COMBINED BUILDING SITE; PROVIDING CONDITIONS; PROVIDING A VALIDITY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCORPORATION INTO THE CODE OF ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

Mayor Beecherl adjourned the Town Council meeting at 8:07 a.m.

Approved on this the 6th day of December 2022.

APPROVED:

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: December 6, 2022

Department: Town Secretary

Presenter: Joanna Mekeal

TITLE

Consider approval of the minutes of the Town Council study session held on November 1, 2022.

BACKGROUND

RECOMMENDATION

FINANCIAL IMPACT

ATTACHMENTS:

File Name	Description
2022-11-1_TCSS_Minutes.pdf	Town Council Study Session Minutes 2022-11-01

MINUTES OF A STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD AT TOWN HALL, 4700 DREXEL DRIVE, HIGHLAND PARK, TX, 75205 AT 8:12 A.M. ON TUESDAY, NOVEMBER 1, 2022.

Present at the meeting were Mayor Will C. Beecherl, Mayor Pro Tem Craig Penfold, and Town Council Members Marc Myers, Lydia Novakov, Don Snell, and Leland White.

Future Agenda Discussion

Review and discuss an ordinance authorizing and allowing Cost of Living Adjustments and Updated Service Credits through the Texas Municipal Retirement System, effective January 1, 2023. Steve Alexander, Director of Administrative Services and Chief Financial Officer, explained the Texas Municipal Retirement System ("TMRS") offers participating cities the opportunity to provide a Cost-of-Living Adjustment ("COLA") to retirees at 30, 50, and 70 percent of the change in the Consumer Price Index ("CPI"). An Updated Service Credit ("USC") can also be provided to active employees at 50, 75, and 100 percent of the changes to an employee's salary and any changes the Town has made to its TMRS plan over the employee's career. The Fiscal Year 2022 - 2023 ("FY 2023") Adopted Budget includes funding to provide a COLA for retirees at 50% and an USC for Town employees at 75%. In response to questions raised by Mayor Beecherl and Council Member Myers, Mr. Alexander explained under statutes that govern the TMRS, when a COLA is approved, an USC must also be provided. The benefit adjustments are commonly provided by the Town's comparison cities. The Town has traditionally elected to provide these changes on an ad hoc basis to avoid large actuarial adjustments associated with a recurring plan. The last time the Town approved changes to the COLA was in Fiscal Year 2007 - 2008, and the USC in Fiscal Year 2019-2020. Mayor Beecherl inquired to review the ordinance that included the USC and Mr. Alexander confirmed it would be provided. Mr. Alexander further explained that it is important to note that when a Town or City provides these adjustments on an ad hoc basis and approves multiple adjustments within a five-year timeframe, the Town's pension liability is calculated as if it provides the specific benefit on an automatically repeating basis. As such, actuaries for TMRS will view the USC provided this year as "substantively automatic" until Fiscal Year 2025, at which time the benefit will return to being viewed as provided on an ad hoc basis. This has the effect over the next two years of increasing the Town's overall pension liability and reducing the amount of the liability that is funded as presented in the Town's annual financial statements. It is projected that the Town's unfunded actuarial liability will be \$9.2 million, of which \$1.8 million is directly related to the substantively automatic rule. Currently, the Town's unfunded liability is \$2.1 million. Town staff is working with TMRS and the Town's independent auditors to allow the Town to present its pension liability without the USC being considered substantively automatic which would lower the unfunded liability and increase the funding ratio. Alternatively, the Town could reduce the USC to 50%. This would result in a lower impact to unfunded actuarial liability by approximately \$1.4 million and increase the anticipated funded ratio from 90.4% to 91.7%. In response to a question raised by Council Member Myers, Mr. Alexander stated providing the COLA and the USC as Adopted in the FY 2023 Annual Budget, results in an increase to the Town's pension cost of approximately \$511,279. The financial impact is not fully recognized until the following fiscal year (FY 2024) as the new rate that will reflect this benefit adjustment does not begin until January of 2023. The total annual impact, once fully recognized, will be approximately \$690,000. The Town's contribution rate changes from 8.48% of payroll to 12.92%. Mayor Beecherl asked if there were any further questions, to which there were none.

Reports

Review and discuss landscape and pedestrian accessibility improvements for the Teddy Bear Garden at Lakeside Park. Lori Chapin P.E., Director of Engineering, explained that this item is scheduled to provide the Town Council with an update on the Teddy Bear Garden (“Bears”) project. The purpose of this project is to provide better access to the Bears in Lakeside Park and eliminate confusion for visitors who frequently access the Bears via the alley servicing Willow Wood Circle. Bill Lindley, Town Administrator, added that the project was initiated in response to concerns by the adjoining residents. The current layout provides limited access to the area, often leading visitors to wander through the neighborhood and onto private property. Ms. Chapin explained that staff met with two of the adjoining Willow Wood Circle property owners in April and July 2022 during the design process. The residents provided information regarding the congestion in the area and possible options for alternate access to the Bears from Lakeside Drive. Kimley-Horn, engineer consultant, has designed an improved pathway connection to the Bears. In addition, Armstrong–Berger Landscape Architects, prepared landscaping enhancements. The design includes the pathway to the Bears, as well as enhanced landscaping and hardscape improvements in and around the area. The project will include point repairs to the arched stone footbridge. The pathway design mimics the Exall Pedestrian Bridge design utilizing the IPE wood for the cross bars and decking, as well as the airline wire for the railing. Landscaping has been added along the sidewalk and the alley. Current access to the Bears is provided from the alley at two locations. The eastern access point along the alley will be removed, allowing for access to the Bears via the new pedestrian pathway from the Exall Pedestrian Bridge. Mayor Beecherl asked if there were any questions. Michael Lewis, 8 Willow Wood Circle, stated he appreciated the proposed plan and suggested removing a sidewalk or adding a chain fence to prevent visitors from wondering too close to private residences. Mayor Beecherl asked if there were any further questions, to which there were none.

CLOSED SESSION

1. In accordance with the Texas Government Code Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene into closed session for consultation with and to receive legal advice from the Town Attorney regarding structures in front yards and Ordinance No. 2080.
2. In accordance with the Texas Government Code Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene into closed session for consultation with and legal advice from the Town Attorney regarding pending or contemplated litigation: USAI, LP v. Town of Highland Park (Cause No. DC-20-80213).

Mayor Beecherl recessed the study session at 9:16 a.m., and convened a closed session at 9:20 a.m., pursuant to: (1) In accordance with the Texas Government Code Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene into closed session for consultation with and to receive legal advice from the Town Attorney regarding structures in front yards and Ordinance No. 2080; and (2) pending or contemplated litigation: USAI, LP v. Town of Highland Park (Cause No. DC-20-80213).

Mayor Beecherl ended the closed session at 9:51 a.m., and reconvened the study session in open session at 9:51 a.m. No final action, decision, or vote was taken during the closed session.

OPEN SESSION

1. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item 1. above, shall be made, if any. No motion was made.
2. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item 2. above, shall be made, if any. No motion was made.

Mayor Beecherl adjourned the study session meeting at 9:52 a.m.

APPROVED on this 6th day of December 2022.

APPROVED:

Will C. Beecherl
Mayor

ATTEST:

Joanna Mekeal
Town Secretary



TOWN OF HIGHLAND PARK

Agenda Briefing

Council Meeting: December 6, 2022

Department: Fiscal & Human Resources

Presenter: Steven J. Alexander

TITLE

Consider approval of an ordinance authorizing Cost of Living Adjustments and Updated Service Credits through the Texas Municipal Retirement System, effective January 1, 2023.

BACKGROUND

The Texas Municipal Retirement System ("TMRS") offers participating cities the opportunity to provide a Cost of Living Adjustment ("COLA") to retirees at 30, 50 & 70 percent of the change in the Consumer Price Index ("CPI"). Separately, an Updated Service Credit ("USC") can also be provided to active employees at 50, 75 & 100 percent of the changes to an employee's salary and any changes the Town has made to its TMRS plan over the employee's career. The two modifications were included as part of the 2023 budget discussions as part of the July 19 and August 2 study sessions with the current year budget funded at a 50 percent COLA and a 75% USC. Most recently, the consideration was discussed at the November 1 study session.

Under statutes that govern TMRS, when a COLA is approved by a member Town/City, USC must also be provided to active employees. The USC recognizes significant changes in an employee's salary during the course of their career. The last time the Town approved USC, which included transfer credits, was in 2020, and as such, this year's USC, which does not include transfer credits, is not as impactful financially.

Both COLA and USC benefit adjustments are optional, but commonly provided by the majority of the Town's comparison cities on a repeating basis in an effort to be more competitive with their pension benefit. The Town has traditionally elected to provide these changes on an ad hoc basis. The last time the Town approved changes to the COLA was in Fiscal Year 2007 - 2008.

It is important to note that frequent adoptions of these benefits on an ad hoc basis can result in the Town's pension liability being calculated for reporting purposes as if the benefit is provided on a repeating basis. However, the historical practice clearly demonstrates that these benefits are provided on an ad hoc basis and the only reason a USC is being provided in the proposed ordinance is because TMRS mandates including USC when a COLA is provided. As such, it is the professional judgment of the Town's independent auditor that the USC proposed still be treated as ad hoc for purposes of calculating the Town's pension liability. Town staff has communicated this to TMRS and they will follow the professional judgement of the Town's independent auditor.

After additional review of this item subsequent to the adoption of the FY 2023 budget, it is recommended that the Town implement the lowest level of USC at 50% which has a relatively small impact on the Town's unfunded actuarial liability (UAL) of approximately \$130,000. Overall, it is projected that the Town's UAL will be \$6.92M. This is an increase of \$4.8M, 97.3% of which is directly attributed to the COLA for retirees.

If approved, the next opportunity to provide both a COLA and USC on an ad hoc basis without those

benefits possibly being considered repeating when calculating the Town's liability will be Fiscal Year 2028.

RECOMMENDATION

The staff recommends approval of the ordinance including a COLA at 50% and USC at 50%.

FINANCIAL IMPACT

The FY 2023 annual budget adopted by the Town Council included the provision of an ad hoc COLA at 50% and USC at 75%. The proposed ordinance, however, includes a COLA at 50% and USC at 50%. The reduction in the percentage of USC, from 75% to 50%, reduces the Town's cost by approximately \$73,500 per year as the annualized contribution rate declines from 12.92% to 12.45%.

Moving the USC to 50% places the greatest emphasis on the COLA for retirees and minimizes the USC that is required by TMRS when a COLA is approved. As such, the cost of implementing the proposed ordinance is well within the amounts approved in the FY 2023 Adopted Budget.

ATTACHMENTS:

File Name

HP_Ord_Amending_TMRS-
Updated_Service_Credits_and_Transfer_Credits-
Final_Doc.docx

Description

Proposed Ordinance TMRS COLA & USC

ORDINANCE NO.

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, ("TOWN"), AMENDING CHAPTER 9, PERSONNEL, ARTICLE 9.02, TEXAS MUNICIPAL RETIREMENT SYSTEM, SECTION 9.02.008 "INCREASE IN RETIREMENT ANNUITIES, 2008" AND SECTION 9.02.010, "UPDATED SERVICE CREDITS, EFFECTIVE JANUARY 1, 2020" OF THE CODE OF ORDINANCES OF THE TOWN OF HIGHLAND PARK; PROVIDING, AS AUTHORIZED AND ALLOWED, UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM, INCREASED PRIOR AND CURRENT SERVICE ANNUITIES FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE TOWN AND PROVIDING "UPDATED SERVICE CREDITS" IN SAID SYSTEM FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO PRESENTLY ARE IN THE EMPLOYMENT OF THE TOWN; PROVIDING A VALIDITY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCORPORATION INTO THE TOWN'S CODE OF ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Town is authorized by law to adopt the provisions contained herein, and has complied with all the prerequisites necessary for the passage of this ordinance; and

WHEREAS, all statutory and constitutional requirements for the passage of this ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the purpose of this ordinance is to protect the health, safety, and welfare of the residents of the Town of Highland Park.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS:

That all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 1. That, Chapter 9, Personnel, Article 9.02, Texas Municipal Retirement System, Section 9.02.008, Increase in Retirement Annuities, 2008, of the Town's Code of Ordinances is hereby amended to read as follows:

Increase in Retirement Annuities, 2023

(a) On terms and conditions set out in TMRS Act §854.203, the Town hereby elects to authorize and provide for payment of the increases below stated in monthly benefits payable by the System to retired employees and to beneficiaries of deceased employees of the Town under current service annuities and prior service annuities arising from service by such employees to this Town. An annuity increased under this Section replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of the annuity increase under this Section is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by **50%** of the percentage change in Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the

person's retirement to the December that is 13 months before the effective date of this Section.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation under this Section does not result in an increase in the amount of an annuity, the amount of the annuity will not be changed.

(e) The amount by which an increase under this Section exceeds all previously granted increases to an annuitant is an obligation of this City and of its account in the benefit accumulation fund of the System.

(f) An increase in a retirement annuity under this Section also may be referred to as a cost of living adjustment ("COLA").

SECTION 2. That, Chapter 9, Personnel, Article 9.02, Texas Municipal Retirement System, Section 9.02.010, Updated service credits, effective January 1, 2008, of the Town's Code of Ordinances is hereby amended to read as follows:

Updated service credits, effective January 1, 2023

On the terms and conditions set out in Sections 853.401 through 853.403 of Subtitle G of Title 8, Government Code, as amended (which subtitle is referred to as the "TMRS Act"), each member of the Texas Municipal Retirement System (the "System") who has current service credit or prior service credit in the System in force and effect on the 1st day of January of the calendar year preceding such allowance, by reason of service in the employment of the Town, and on such date had at least 36 months of credited service with the System, shall be and is hereby allowed "Updated Service Credit" (as that term is defined in TMRS Act §853.402(d)) in an amount that is 50% of the "base Updated Service Credit" of the member calculated as provided in TMRS Act §853.402(c). The Updated Service Credit provided under this ordinance shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

SECTION 3. Validity. That, all ordinances of the Town of Highland Park in conflict with the provisions of this ordinance be, and the same are hereby superseded and all other provisions of the ordinances of the Town of Highland Park not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 4. Severability. That, should any word, phrase, sentence, section or subsection of this ordinance be held to be void, unconstitutional or unenforceable, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 5. Incorporation. That, this ordinance shall be deemed to be incorporated into the Code of Ordinances of the Town of Highland Park, Texas.

SECTION 6. Effective Date. The provisions of this ordinance shall take effect on the 1st day of January, 2023.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas on this the 6th day of December, 2022.

APPROVED AS TO FORM:

Matthew C.G. Boyle
Town Attorney

ATTEST:

Joanna Mekeal
Town Secretary

APPROVED:

Will C. Beecherl
Mayor