



City of Farmers Branch

Farmers Branch City Hall
13000 Wm Dodson Pkwy
Farmers Branch, Texas
75234

Meeting Agenda - Final

City Council

Tuesday, August 9, 2016

1:00 PM

Study Session Room
2nd Floor - City Hall

Special Called Meeting

A. WORK SESSION ITEMS

- A.1 [16-193](#) Discussion and briefing by the City Attorney regarding regulations for the sale and consumption of alcoholic beverages for onsite consumption.
- A.2 [16-224](#) Discussion regarding the Employee Compensation Study.
- A.3 [16-203](#) Discussion regarding the City Manager's balanced budget and organizational funding requests related to the Proposed 2016-17 Fiscal Year Budget.

The City Council may convene into executive session at anytime during the Special Called Meeting pursuant to Texas Government Code Section 551.071(2) for the purpose of seeking confidential legal advice from the City Attorney on any work session agenda item.

B. ADJOURNMENT

Farmers Branch City Hall is wheelchair accessible. Access to the building and special parking are available at the main entrance facing William Dodson Parkway. Persons with disabilities planning to attend this meeting who are deaf, hearing impaired or who may need auxiliary aids such as sign interpreters or large print, are requested to contact the City Secretary at (972) 919-2503 at least 72 hours prior to the meeting.

Certification

I certify that the above notice of this meeting was posted at least 72 hours prior to the scheduled meeting time, in accordance with the Open Meetings Act, on the bulletin board at City Hall.

Posted by: _____
 City Secretary

Date posted: _____



City of Farmers Branch

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Staff Report

File Number: 16-193

Agenda Date: 8/9/2016

Version: 1

Status: Study Session

In Control: City Council

File Type: Report

Agenda Number: A.1

Discussion and briefing by the City Attorney regarding regulations for the sale and consumption of alcoholic beverages for onsite consumption.

MEMO

FOR: Farmers Branch City Council
FROM: Peter G. Smith, City Attorney
DATE: July 28, 2016
SUBJECT: Local Regulation of Establishments Which Sale or Serve Alcoholic Beverages for On-Premise Consumption,

Pursuant to the request of the City Council we provide the following memorandum which contains background information and options for the City Council to consider in lessening the current regulations or enacting new regulations regarding establishments that serve alcoholic beverages for on-site consumption. In particular the City Council expressed interest in allowing “neighborhood bars”. This memorandum is only intended to provide background information and list of possible options which are not all inclusive so the city council can conduct a specific work session to discuss the matter at a later date. The work session of a city council meeting may not allow sufficient time for City Council to discuss, ask questions and provide direction to city staff.

Background

In 1972 the City prohibited the sale of alcoholic beverages in all zoning districts except the Light Industrial (“LI”) districts (which required an SUP) and Heavy Industrial (“HI”) districts (where sales were permitted by right). Presently, there are is no HI zoning district in the City. Subsequent to that time period the city has had two local option elections regarding the sale of alcoholic beverages and enacted several ordinance regarding the same.

In summary as result of the two local option elections approved by the voters of Farmers Branch the City is wet for the retail sale of beer and wine for off premise consumption; and for establishments that sell mixed beverages, beer and wine for on premise consumption (essentially bars since no food service is required). However the regulations and ordinances adopted prior to the local option elections restrict and limit the locations of such establishments.

Where alcoholic beverages may be sold in Farmers Branch

Before 1986, Farmers Branch was completely dry. The City passed its first local option election in 1986.

1986 Local Option Election:

Generally: The City conducted a local option election on October 25, 1986, in which voters approved a proposition authorizing mixed beverage sales for on-premises consumption. Approval of such a proposition authorizes the sale of mixed beverages, beer, and wine for on-premises consumption. The ballot proposition was **not** limited to sales in restaurants with a food and

beverage. This proposition allowed establishments which may be commonly referred to as bars since no food service is required.

However, the City, through the Comprehensive Zoning Ordinance (“CZO”), limits the location of the sale of alcoholic beverages for on-premises consumption to “qualifying restaurants” and “private clubs.”

“Qualifying Restaurant,” as defined in CZO Sec. 8-400-1, means “an existing or proposed eating establishment whose gross sale of food and non-alcoholic beverages shall constitute at least 60% of the establishment’s combined gross food, non-alcoholic, and alcoholic beverages for each quarterly reporting period”. “Restaurant” in CZO Sec 8-400 means a Qualifying Restaurant where the operator is the holder of a mixed beverage permit or a private club permit.

As a general premise, regardless of whether or not the sale of alcoholic beverages has been approved, restaurants without drive-in or drive through windows are allowed by right only in the Local Retail 1 (“LR-1”) and Local Retail 2 (“LR-2”) districts and upon approval of an SUP in the following zoning districts:

- Office (“O”)
- Commercial (“C”)
- Light Industrial (“LI”)
- Heavy Industrial (“HI”)
- Planned Development (“PD”)

A specific use permit for a Qualifying Restaurant (i.e. allowed to serve alcohol) may be issued only in an area zoned:

- Office (“O”)
- Local Retail 1 (“LR-1”)
- Local Retail 2 (“LR-2”);
- Commercial (“C”)
- Light Industrial (“LI”)
- Heavy Industrial (“HI”)
- Planned Development (“PD”)
- “any other zoning district where restaurants are a permitted use...” (Presently, there are no other zoning districts other than the ones listed above where restaurants are permitted by either by right or by SUP. City would need to review specific PD ordinances to determine whether restaurant use is allowed in the particular PD.)

No SUP can be issued for a Qualifying Restaurant located within 300 feet of a:

- detached single family residence
- single family zoned district
- church
- school (public or denominational)

- hospital, or
- developed city park (which parameters are to be determined by the city council).

Measurement of 300 foot rule is to be in accordance with state law (but CZO does not cite the applicable state law). The 300 foot rule does not apply to a Planned Development zoning district.

The 1986 Local Option Election did not authorize the sale of any alcoholic beverages for off-premises consumption.

May 2014 Local Option Election

Farmers Branch voters approved the sale of beer and wine for off-premises consumption in May 2014. Prior to the election, it was clarified that the City had since 1972 prohibited the sale of alcoholic beverages in all zoning districts except the Light Industrial (“LI”) districts (which required an SUP) and Heavy Industrial (“HI”) districts (where sales were permitted by right). Presently, there are is no HI zoning district in the City.

Subsequent to the May 2014 election, the City Council approved Ordinance No. 3283 establishing several beer and wine overlay districts in which retail establishments may sell beer and wine for off-premises consumption by right. The original restrictions regarding the LI and HI districts were, however, preserved.

Though the 300 foot distance rule is included in the CZO relating to SUP’s for qualifying restaurants, the City has not done the same for beer and wine off-premise retailers located in the beer and wine overlay zones.

TABC Chart

For informational purposes, below is how the TABC presently shows the City of Farmers Branch as far as its wet/dry status. As you can see, for on premise mixed beverage sales, it is showing the City as “all wet”. In other words, no new election would be required to allow establishments in the City that are not restaurants to serve mixed drinks, beer and wine for on premise consumption. Only a change in the City’s zoning regulations would be required to loosen up the current regulations requiring an SUP.

Dallas County: Farmers Branch W: B-Off, W-Off; PW: MB

Definitions:

Wet (W): The term "wet" when used with respect to a particular type of beverage sale respect in a given jurisdiction means that the entire jurisdiction, every square inch of it, is wet for that type of sale.

Partly Wet (PW): The term "partly wet" means that there are one or more parts of the jurisdiction in which a particular type of beverage sale is legal but there are other parts in that jurisdiction where that type of sale is not legal.

Dry: The term "dry" means the jurisdiction is dry throughout. No type of alcoholic beverage sales is permitted.

B-On: Sale of Beer for on premises consumption authorized. Not used to describe areas where sales for on-premises consumption can only take place under the authority of a MB or RM.

B-Off: Sale of Beer for off-premises consumption authorized

W-On: Sale of Wine for on-premises consumption authorized. Not used to describe areas where sales for on-premises consumption can only take place under the authority of a MB or RM.

W-Off: Sale of wine for off-premises consumption authorized.

DS-Off: Sale of distilled spirits for off-premises consumption authorized.

MB: Sale of mixed beverages authorized. Not used to describe areas where sale of mixed beverages only authorized in restaurants.

RM: Sale of mixed beverages authorized but only in restaurants.

Types of Permits:

Below is a chart showing various types of permits/licenses that could be issued in Farmers Branch and a brief summary of where establishments holding those permits/licenses may locate. Note that this table is limited to retail-type permits and does not include warehouse, manufacturing, or distilling permits/licenses:

Temporary Permits	
Caterer's Permit (CB):	Permit authorizes Mixed Beverage Permittee to sell mixed beverages on a temporary place other than the premises for which the Mixed Beverage Permit is issued but only in "wet" areas for the sale of mixed beverages
Daily Temporary Mixed Beverage Permit (TB)	Permit authorizes the sale of mixed beverages for consumption on the premises for which the permit is issued and may be issued to the holder of a Mixed Beverage Permit for a picnic, celebration, or similar event. May also be issued to a political party or political association supporting a candidate for public office or a proposed amendment to the Texas Constitution or other ballot measure, to an organization formed for a specific charitable or civic purpose, to a fraternal organization in existence for over five years with a regular membership, or to a religious organization (organization limited to 10 temporary permits per calendar year)
Off-Premise Permits/Licenses	
Beer Retailer's Off-Premise License (BF)	Restricted to Beer and Wine Overlay District by right; no on-premise consumption; sell beer to-go; can also sell wine 17% or less alcohol content
Wine & Beer Retailer's Off-Premise Permit (BQ)	Restricted to Beer and Wine Overlay District by right; no on-premise consumption except during authorized tasting; sell beer, ale, malt liquor, and wine up to 17% alcohol content
Wine Only Package Store Permit (Q)	Restricted to Beer and Wine Overlay District by right; requires additional permit to hold tastings (Package Store Testing Permit – PS); no beer tasting; no on-premise consumption except for authorized tastings; sell only wine up to 24% alcohol content, malt liquor, and ale; can sell beer if also holding a BF.
On-Premise Permits/Licenses	
Beer Retailer's On-Premises License (BE)	Allows sale of beer only for on-premise or off-premise consumption; because it allows on-premise consumption, CZO requires SUP and be conducted in association with a qualifying restaurants
Brewpub License (BP)	Must also hold a BG, MB, RM, or BE license/permit; because it allows on-premises consumption, CZO will require SUP and be conducted in qualifying restaurant
Wine & Beer Retailer's Permit (BG)¹	May sell beer, ale, malt liquor, traditional port and sherry, wine not to exceed 14%; because it allows both off-premise and on-premise consumption, CZO will require SUP and be conducted in qualifying restaurant
Private Club Permits (N, NB, NE)	Requires SUP for any new Private Clubs. Private Clubs existing as of 10/6/86 are grandfathered, but must comply with 60% food service requirement under CZO §8-400-18.
Mixed Beverage Permit (MB) and Mixed Beverage Permit with Food and Beverage (RM)	Even with only an MB, CZO §8-400-10 requires SUP for service in qualifying restaurant and 60% or greater in sales of food and non-alcoholic beverages; may sell distilled spirits, beer, malt liquor, ale and wine for on-premise consumption only

¹ BG permit (beer and wine retailer's permit which allows sale for on or off premise consumption) can fill growlers and customers may either drink it there or take it home. The growlers can be filled with any beer they carry not just the establishments beer.

Options and Considerations

In deciding what actions the city council may take the city council needs to decide and provide direction to staff as to: (i) what type of establishments are desired; (ii) when and where such establishments should be allowed; (iii) by what process whether by right or SUP; and (iv) any restrictions such a separation requirements from like establishments or schools, churches, hospitals, parks or other desired protected areas.

Consideration should also be given to whether there will be a proliferation of such establishments, and any undesired effects or unintended consequences. Remember once city grants zoning to allow a “bar” at a location it should be considered permanent unless the city rezones the area or changes the regulations in which case and existing use will continued until abandoned.

A specific work session or meeting could be conducted for city council to discuss, at which staff can answer questions and city council can provide direction.

List of possible actions (not all inclusive list).

1. City could lessen the percentage of non-alcoholic sales for qualifying restaurants.
2. City could enact overlay district in which “bars” may be located without regard to food service or with a lesser percentage of non-alcoholic beverage sales. Will need to add definition of “bars”.
3. Identify target areas or properties at which bars are allowed without regard to food service or with a lesser percentage of non-alcoholic beverage sales.
4. Enact regulation to allow location of establishments that derive more than 75% of its gross revenue from the sale of alcoholic beverages for on premise consumption. These regulations could be restricted to certain zoning districts or geographical areas, require a specific use permit and include separation requirements from other like establishments, churches, hospitals, schools, city parks or other protected areas. Texas Alcoholic Beverage Code allows city to enact regulations governing the location of bars. Will need to add definition of the qualifying establishment (“Bar”).
5. Allow establishments that derive more than 75% of its gross revenue from the sale of alcoholic beverages for on premise consumption in PD districts by right or by SUP.

Peter J Smith



City of Farmers Branch

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Staff Report

File Number: 16-224

Agenda Date: 8/9/2016

Version: 1

Status: Study Session

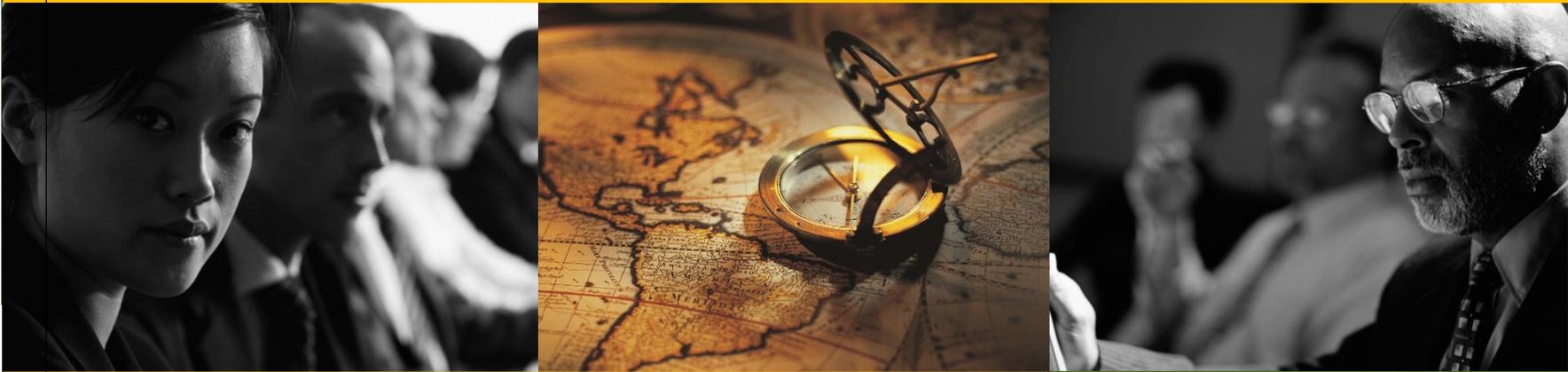
In Control: City Council

File Type: Report

Agenda Number: A.2

Discussion regarding the Employee Compensation Study.

Comprehensive Compensation and Classification Study for the City of Farmers Branch, TX



Presentation of Results



02 August 2016

Study Process

Completed:

- ✓ Conducted employee outreach; summarized findings.
- ✓ Reviewed the City's compensation philosophy.
- ✓ Analyzed **internal equity** and reviewed classifications utilizing Job Assessment Tool (JAT) results.
- ✓ Conducted salary and benefits surveys to analyze **external equity** of the current compensation system.
- ✓ Utilized internal and external equity results to develop new pay plans aligned with the City's desired market position.



Study Process (cont.)

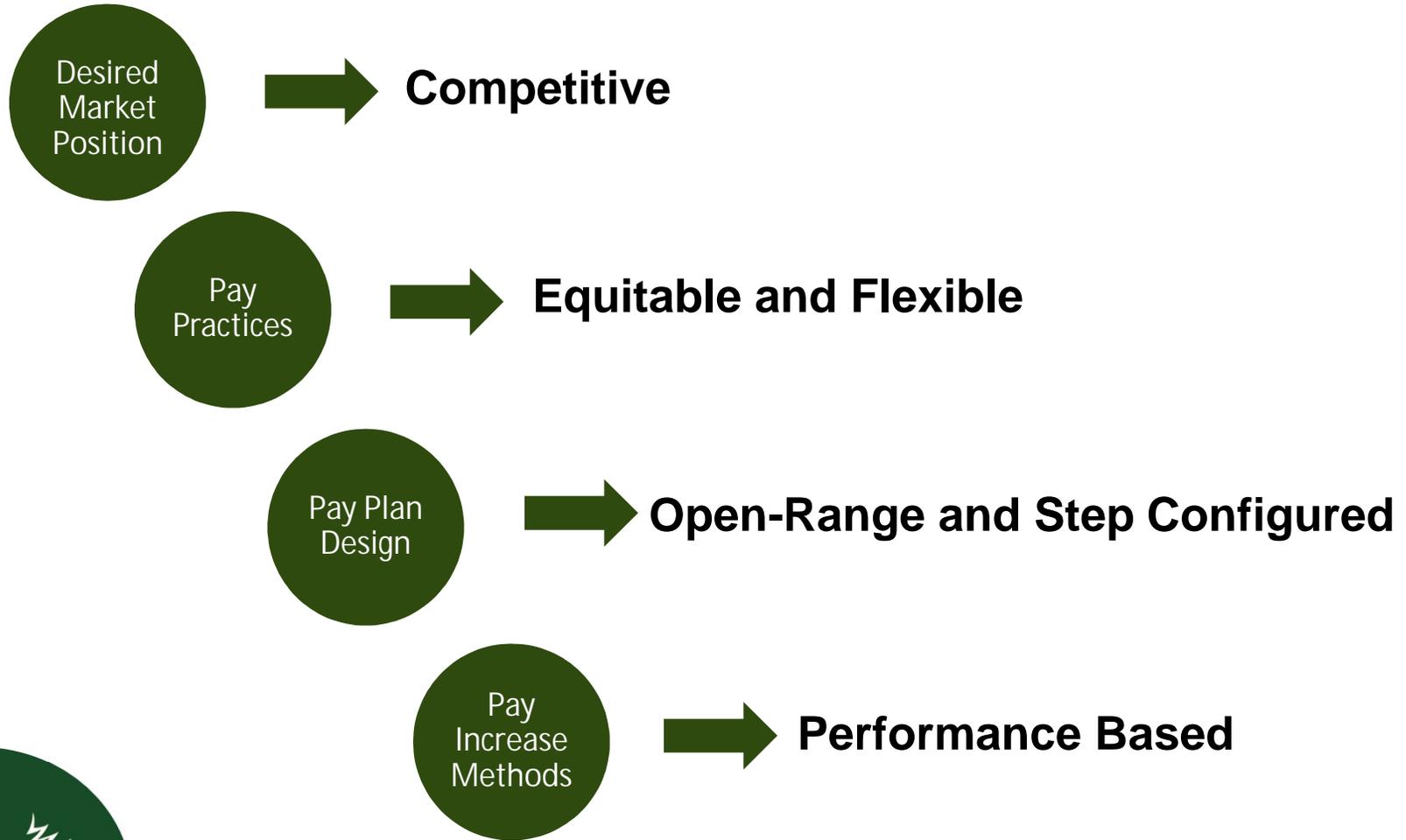
Completed (cont.):

- ✓ Slotted administrative classifications into new pay plan utilizing balance of internal and external equity results.
- ✓ Estimated annualized salary costs to implement the new pay plans.



Compensation Philosophy

City's Compensation Philosophy:



Compensation

Compared benefits to peers:

Total Compensation	Peer Average	City of Farmers Branch
Medical Benefits as a percentage of total compensation	27.7%	20.0%

Reviewed additional allowances and incentives:

Allowances and Incentives	Peer Percentage	City of Farmers Branch
Language Incentive	30.0%	Yes
Certification pay (beyond min qual)	80.0%	Yes but Public Safety only

Additional allowances and incentives (e.g. clothing/uniform, digital equipment allowances) were competitive with peers.



Compensation

Conducted a salary survey and collected salary range data from
*19 peers for 69 benchmark classifications:

Peer Data Collected		
City of Allen	City of Frisco	City of Rockwall
City of Arlington	City of Grand Prairie	City of Southlake
City of Carrollton	City of Grapevine	Town of Addison
City of Coppell	City of Irving	Town of Flower Mound
City of Dallas	City of McKinney	Town of Highland Park
City of Denton	City of Plano	
City of Fort Worth	City of Richardson	

* Collected data were adjusted for cost of living.



Compensation

Compared the salary range data for benchmark classifications to the **median** of the peers' data:

Benchmark Classifications	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-4.6%	-4.2%	-4.1%



Midpoint is typically considered "market" as employees receiving pay at this point should be proficient and satisfactorily performing the duties of their classification.

* Results do not indicate that all benchmarks (classifications) were ahead or behind.



Fire

Current Fire Plan:

Grade	Min	Mid	Max
FIREFIGHTER/Inspector	\$55,285	\$60,301	\$66,971
DRIVER	\$70,057	\$72,951	\$74,384
LIEUTENANT	\$77,305	\$80,833	\$83,837
CAPTAIN	\$86,483	\$88,412	\$90,451
BATTALION CHIEF	\$96,900	\$101,283	\$104,838

New Fire Plan:

Grade	Min	Mid	Max
FIREFIGHTER	\$57,496	\$63,390	\$69,887
INSPECTOR	\$58,007	\$63,953	\$70,508
DRIVER	\$73,560	\$76,532	\$79,624
LIEUTENANT	\$82,717	\$86,059	\$89,536
CAPTAIN	\$92,537	\$94,397	\$96,294
BATTALION CHIEF	\$104,653	\$108,881	\$113,280

- Constant increase between steps but varies by classification
- Varied range width based on classification
- Consistent number of steps for each classification



Police

Current Police Plan:

Grade	Min	Mid	Max
OFFICER	\$53,664	\$60,341	\$71,968
CORPORAL	\$72,300	\$73,500	\$75,587
SERGEANT	\$80,017	\$82,250	\$86,133
LIEUTENANT	\$91,354	\$94,200	\$97,864

New Police Plan:

Grade	Min	Mid	Max
OFFICER	\$56,884	\$64,000	\$74,077
CORPORAL	\$73,747	\$77,000	\$83,000
SERGEANT	\$83,218	\$85,000	\$90,078
LIEUTENANT	\$97,748	\$100,000	\$105,806

- Constant increase between steps but varies by classification
- Varied range width based on classification



Implementation at Median

Bring Admin
Employees to New
Minimums

- Total annualized estimated cost for this option **\$55,351**
- # employees who would receive adjustments = 52

FIRE
Same Step

- Total annualized estimated cost for this option **\$266,783**
- # employees who would receive adjustments = 72

POLICE
Same Step

- Total annualized estimated cost for this option **\$258,427**
- # employees who would receive adjustments = 72

Total
At Median

- Total annualized estimated cost for this option **\$580,561**
- # employees who would receive adjustments = 196

* *Cost estimates are salary only and do not include the cost of benefits.*



Move to Median +5 % more

Bring Admin
Employees to New
Minimums

- Total annualized estimated cost for this option **\$139,000**
- # employees who would receive adjustments = 94

FIRE
Same Step

- Total annualized estimated cost for this option **\$537,000**
- # employees who would receive adjustments = 72

POLICE
Same Step

- Total annualized estimated cost for this option **\$531,000**
- # employees who would receive adjustments = 72

Total
At 5% adjustment

- Total annualized estimated cost for this option **\$1.2M**
- # employees who would receive adjustments = 238



Why Go Above Market

Exceptional Service

- Productivity and Services provided in Farmers Branch are Exceptional in comparisons to our peer cities.

FIRE / Police

- Response Times and Level of Care are Exceptional

Job Market

- To reduce attrition, increase employee retention and attract exceptional employees
- Minimize turnover cost which are dollars wasted (1 year of pay)
- The peer cities are already suggesting significant increases for fiscal year 2016/17



Thank You

Additional Questions?

Evergreen Solutions, LLC
2878 Remington Green Circle
Tallahassee, Florida 32308
850.383.0111
www.ConsultEvergreen.com





City of Farmers Branch

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Staff Report

File Number: 16-203

Agenda Date: 8/9/2016

Version: 1

Status: Study Session

In Control: City Council

File Type: Report

Agenda Number: A.3

Discussion regarding the City Manager's balanced budget and organizational funding requests related to the Proposed 2016-17 Fiscal Year Budget.

DISCUSSION:

City Administration will be present to answer questions related to the City Manager's balanced budget and organizational funding requests in the Proposed 2016-17 Fiscal Year Budget.



FARMERS
BRANCH



FY 2017 Budget Workshop Meeting

AUGUST 2, 2016



Strategic Planning



“Our Mission at the City of Farmers Branch is to build a vibrant, dynamic community that consistently seeks to improve the quality of life for our residents.”



Key Budget Adoption Dates



- January 21st City Council Planning Retreat
- June 10th City Council Planning Retreat
- July 29th Proposed Budget to City Council
- August 2nd Budget Workshop
- August 16th Public Hearing on Tax Rate
- September 6th Public Hearings on Tax Rate & Budget
- September 20th Tax Rate/Budget Adoption
- October 1st Budget Implementation



Agenda



- **City Manager Proposed Balanced Budget Highlights**
 - Council Strategic Planning Session Implementation
 - Meets Guiding Principles
- **Organizational Requests**



City Manager Proposed Balanced Budget



- ✓ Promotes Council Approved Strategic Plan, Mission, Guiding Principles, and Goals
- ✓ Maintains Property Tax Rate at 60.2267¢
- ✓ Absorbs Justice Center Debt Service (\$165,000 annually)
- ✓ Implements Updated Employee Compensation System
- ✓ 9% Water & Sewer Rate Increase
- ✓ No Stormwater Fee Increase
- ✓ Improves Target Fund Balances
- ✓ Initial Building Security Funding
- ✓ Increases Service Levels



Proposed FY 2017 Budget



General Fund	\$55,272,300
Water & Sewer Fund	\$19,786,800
Stormwater Utility Fund	\$ 1,024,800
Hotel/Motel Fund	\$ 3,511,000
Debt Service	\$ 4,695,700
Economic Development	\$ 700,000
Special Revenue Funds	<u>\$ 3,891,150</u>
Subtotal Operating	\$88,881,750
Capital Project Funds	<u>\$ 8,137,312</u>
Total Budget	\$97,019,062



Primary General Fund Revenue & Expenditure Drivers



- **Revenues**

- Property Tax Revenues – Up \$1,525,000
- Building Permits – Up \$650,000
- Landfill – Up \$986,000
- Overall* – Up \$3,051,100

- **Expenditures**

- Updated Compensation System – Up \$1,000,000
- Landfill Costs – Up \$648,000
- Employee Merit – Up \$330,000
- Contract Services (Trash Collection/Library) – Up \$310,800
- Economic Development Fund – Up \$300,000
- Fire Ladder Truck (100 ft) – Up \$200,000
- Added 3 Full-Time Positions – Up \$208,290
- Farmers Market Grove Improvements – Up \$190,000
- Firehouse Theatre ADA Updates – Up \$100,000
- Overall* – Up \$2,959,300



Major Capital Improvement Projects



- Continuation of a 10-Year Street Bond Program
- Justice Center Security Upgrades and Improvements
- Marsh Lane Bridge (southbound) Replacement
- Joint Fire Training Facility Construction
- Park & Trail Improvements
- Justice Center Security Improvements
- Utility System Replacement & Improvements
- Farmers Market Improvements



Fund Balances

FY 2017 – Most Realistic



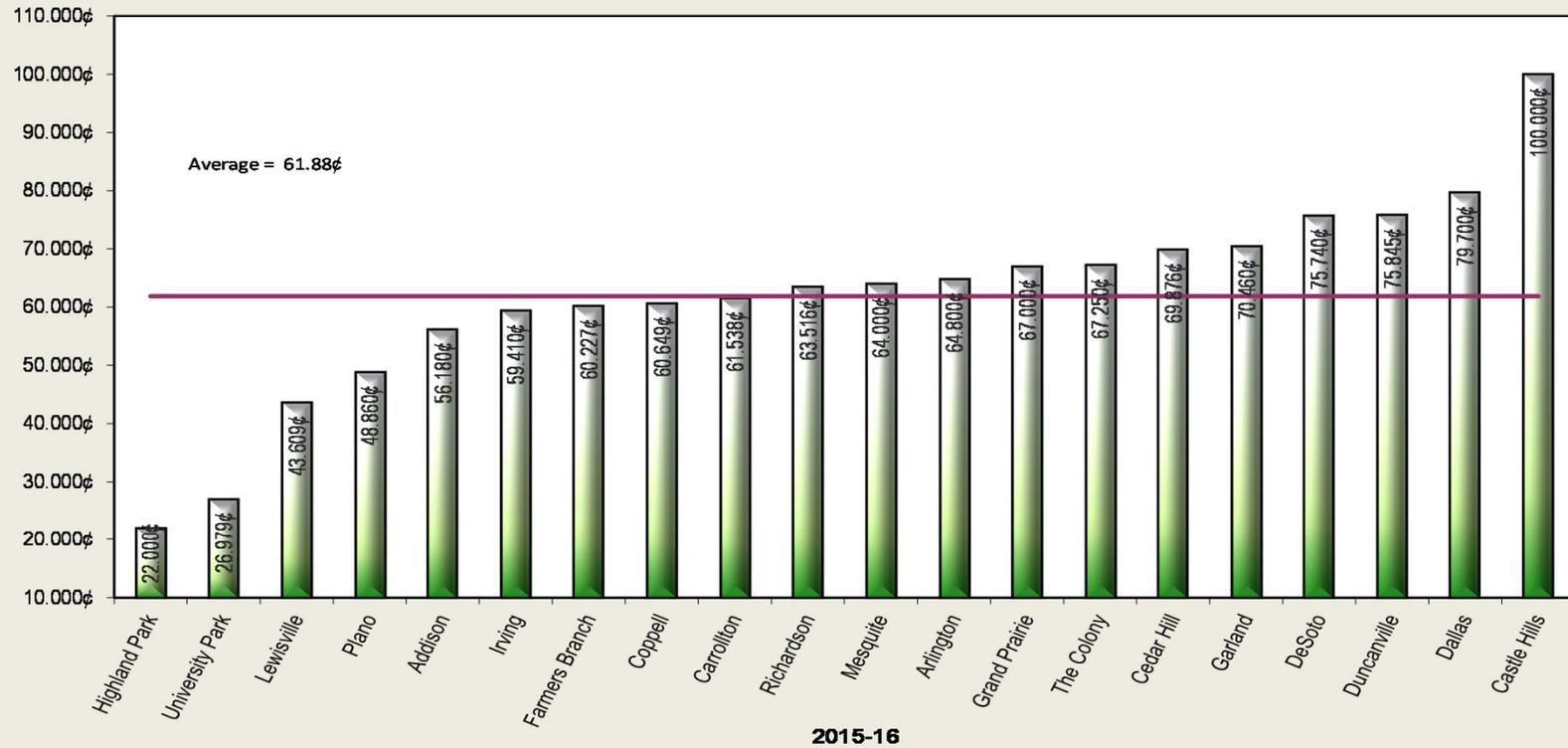
- General Fund - \$8,025,259
 - ✓ Meets Target Range
- Fixed Asset Fund - \$954,238
 - ✓ Meets Target
- Water & Sewer Fund - \$1,801,246
 - ✓ Plan to Meet Target
- Hotel/Motel Fund - \$1,121,136
 - ✓ Meets Target



Tax Rate Comparison



MUNICIPAL TAX RATE COMPARISON within Dallas area (per \$100 assessed valuation)



Rates are preliminary.



Residential Property Tax Impact of Value Change



- Home Value 2015 (FY 16) = \$159,255
 - Property Taxes w/Homestead = \$767.31 (\$63.94 monthly)
 - Property Taxes w/Over-65 = \$375.84 (\$31.32 monthly)
 - Tax Rate \$.602267
 - Over-65 Exemption = \$65,000

- Home Value 2015 (FY 16) = \$174,672
 - Property Taxes w/Homestead = \$841.59 (\$70.13 monthly)
 - Property Taxes w/Over-65 = \$450.12 (\$37.51 monthly)
 - Tax Rate \$.602267
 - Over-65 Exemption = \$65,000

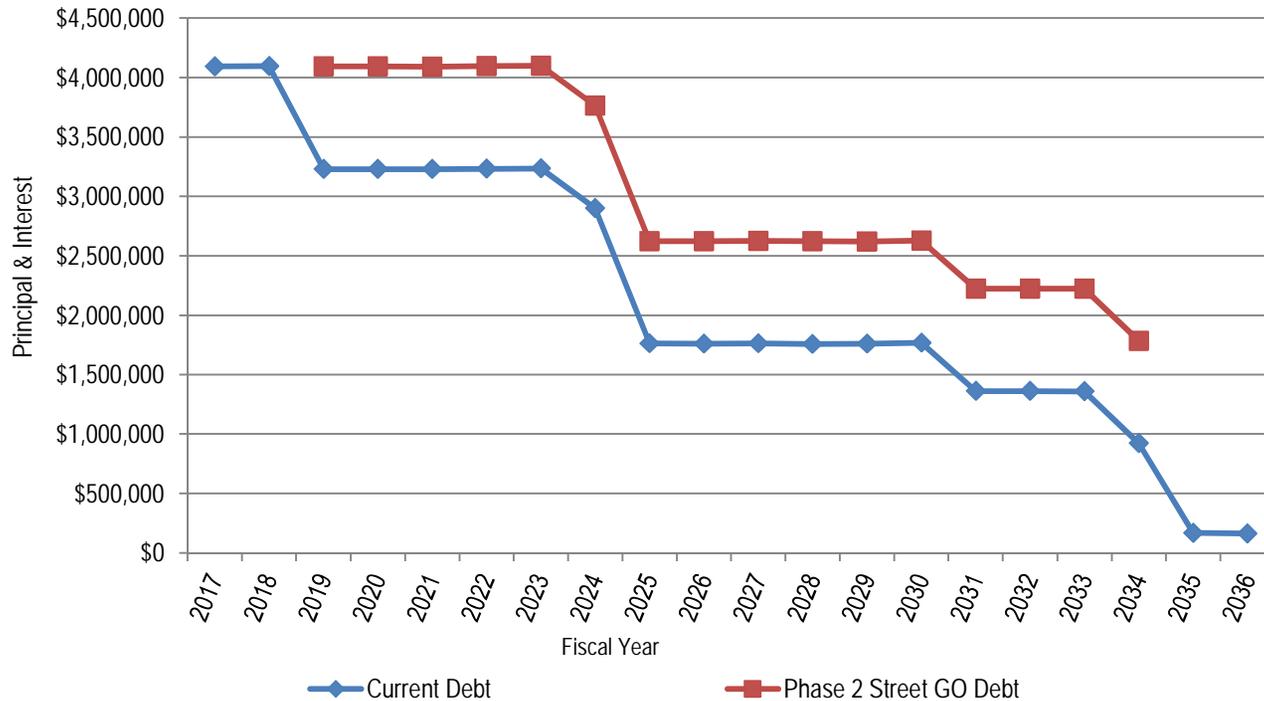
- Increase
 - Homestead = \$74.28
 - Homestead & Over-65 = \$74.28



Debt Service



Property Tax Supported
Annual Debt Service (Current & Projected)





Organizational Requests

• Bea's Kids	• \$ 10,000	Up \$2,500
• FB Chamber	• \$ 80,000	
• Metrocrest Community Clinic	• \$ 15,000	Up \$3,000
• Metrocrest Services	• \$175,000	
• Metrocrest Chamber	• \$ 7,500	
• Family Place	• \$ 10,000	
• Firehouse Theater	• \$ <u>15,000</u>	Up \$15,000
• Total	• \$312,500	
• FY '17 Proposed Budget	• \$292,000	
• FY '16 Budget	• \$292,000	

• *



City Manager Proposed Balanced Budget



- **City Manager Proposed Balanced Budget**
 - Represents Management's Professional Recommendations
 - Council Strategic Planning Session Implementation
 - Meets Guiding Principles set by Council

QUESTIONS? DISCUSSION?



FY '18 Challenges...

Additional Workshop Dates/Locations?