



A G E N D A

**REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
TUESDAY, AUGUST 28, 2018, at 6:00 P.M.
HIGHLAND VILLAGE CITY COUNCIL CHAMBERS
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS**

**Convene Meeting in Open Session
Training Room – 6:00 P.M.**

EARLY WORK SESSION

1. Receive an Update on Annual Appointments to the City's Boards and Commissions
2. Review and Discuss Emergency Medical Service (EMS) Fees
3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 28, 2018

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session)

**CLOSED SESSION
Training Room**

4. Hold a closed meeting in accordance with the following sections of the Texas Government Code:
 - (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)
 - (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation

**OPEN SESSION
City Council Chambers – 7:30 P.M.**

5. Call to Order
6. Prayer to be led by Mayor Charlotte J. Wilcox

7. **Pledge of Allegiance to the U.S. and Texas flags to be led by Mayor Charlotte J. Wilcox:** *“Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”*
8. **Visitor Comments** *(Anyone wishing to address the City Council must complete a Speakers’ Request form and return it to the City Secretary. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action on items not posted on the agenda. Action on your statement can only be taken at a future meeting. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)*
9. **City Manager/Staff Reports**
 - **HVTV Update**
10. **Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety**
 - **Presentation of Life Saving Achievement Award**
 - **Presentation of a Proclamation for National Preparedness Month**

CONSENT AGENDA

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

11. **Consider Approval of Minutes of the Regular City Council Meeting held on August 14, 2018**
12. **Consider Resolution 2018-2766 Ratifying the Emergency Declaration and Authorizing the City Manager to Negotiate and Execute Agreement(s) with Layne Christensen Company and Shermco Industries for Repairs to the Highland Shores Water Well**

ACTION AGENDA

13. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**
 - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
 - (b) **Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation**
14. **Presentation of City Manager Recommended Budget for Fiscal Year 2018-2019**

15. Conduct a Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2018-2019

LATE WORK SESSION

(Items may be discussed during Early Work Session, Time Permitting)

16. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)
17. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 24TH DAY OF AUGUST, 2018 NOT LATER THAN 4:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the _____ day of _____, 2018 at
_____ am / pm by _____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 1	MEETING DATE: 08/28/18
SUBJECT:	Provide an Update on Annual Appointments to the City's Boards and Commissions
PREPARED BY:	Angela Miller, City Secretary

BACKGROUND:

City ordinance states that citizens interested in volunteering their time by serving on a board, commission or committee may submit an application to the City Secretary's Office for consideration by Council. Council shall make annual appointments to the City's boards and commissions no later than the second regularly scheduled Council meeting in September.

Each appointment is for a term of two years, unless an individual is appointed to fill a vacancy. A "term year" shall be from October 1 until the following September 30. The terms of the board and commission members shall expire on the 1st day of October of the second year or when their successor has been duly appointed for office.

Citizens appointed by Council are only allowed to serve four consecutive terms, with the exception of the board of directors for the Highland Village Community Development Corporation (4B). Per their Articles of Incorporation, no member shall serve more than three consecutive terms.

IDENTIFIED NEED/S:

There are sixteen (16) positions with terms that expire on September 30, 2018.

A call for volunteers was advertised in the June, July and August utility bill inserts, the Summer edition of the Villager Newsletter, the City's Facebook Page, HVTV News, and on the City's website.

Currently serving board/commission members were also contacted and given the opportunity to notify City staff if they were interested in being considered for reappointment to the same board, appointment to a different board, or if they no longer wished to serve on a board. The following is a list of the positions and current members with terms that will expire on September 30, 2018.

BOARD OF ETHICS		
<i>Board Member Name</i>	<i>Board Choice</i>	<i>Place</i>
Steven Deel	Same Board	N/A
Brian Tackett	Same Board	N/A
HV COMMUNITY DEVELOPMENT CORPORATION (4B)		
Austin Adams	Different Board	Citizen Representative
Steven Smith	No Longer Wish to Serve	Citizen Representative
Charlotte Wilcox	Same Board	Council Representative

PARKS AND RECREATION ADVISORY BOARD		
Bill Irwin	Same Board	Place 1
Christine Sherry	Same Board	Place 2
Dave Rush	Same Board	Place 3
Janet Gershenfeld	Same Board	Alternate Place 2
PLANNING AND ZONING COMMISSION		
Stan Lemko	Same Board	Place 2
Robert Holden	No Longer Wish to Serve	Place 3
Thomas Heslep	Same Board	Alternate Place 2
ZONING BOARD OF ADJUSTMENT		
Richard Metevier	Same Board	Place 4
Darrah Boxberger-Torres	Same Board	Place 5
Richard Holderby	Same Board	Alternate Place 2
David Smith **	Same Board	Alternate Place 3

** David Smith has not submitted an updated application, however he reported he is traveling for work and will submit upon his return home.

OPTIONS & RESULTS:

During Early Work Session, Council will receive an update from staff and copies of all applications filed for their review and consideration. To provide an opportunity to meet face to face and to facilitate any questions, Council has hosted a “Meet and Greet” with the applicants in past years. Staff proposes September 11, 2018 for a “Meet and Greet” so that Council can make annual appointments at their September 25, 2018 meeting.

PROGRESS TO DATE: (if appropriate)

To date, the City Secretary’s Office has received a total of twenty-six (26) applications, which include currently serving members who wish to be considered for reappointment.

Currently serving board/commission members were contacted and given the opportunity to notify the City Secretary’s Office if they were interested in being considered for reappointment.

- Thirteen (13) members would like to be considered for reappointment to their respective Board or Commission.
- One (1) member would like to be considered for appointment to a different Board or Commission.
- Two (2) members did not wish to be reappointed.

In addition to the existing Board and Commission members, the City has thirteen (13) new applications on file for consideration by Council. A table listing all applicants (both current members & new) with their preferences is provided with this briefing.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

No action is required at this time. Staff is providing this information as an update for Council.

BOARD AND COMMISSION MEMBER PREFERENCES

Member Name	Current Service	Interest in Appointment	Ethics Board	HVCDC	Parks Board	P & Z	ZBA
ETHICS BOARD							
Steven Deel	Ethics Board	Same Board	1	-	-	-	-
Brian Tackett	Ethics Board	Same Board	1	-	-	-	-
HVCDC (4B)							
Austin Adams	Citizen Representative	Different Board	-	-	-	1	-
Steven Smith	Citizen Representative	No	-	-	-	-	-
Charlotte Wilcox	Council Representative	Same Board	-	1	-	-	-
PARKS & RECREATION ADVISORY BOARD							
Bill Irwin	Place 1	Same Board	-	-	1	-	-
Christine Sherry	Place 2	Same Board	4	2	1	3	5
Dave Rush	Place 3	Same Board	5	3	1	2	4
Janet Gershenfeld	Alternate Place 2	Same Board	-	-	1	-	-

BOARD AND COMMISSION MEMBER PREFERENCES

Member Name	Current Service	Interest in Appointment	Ethics Board	HVCDC	Parks Board	P & Z	ZBA
PLANNING & ZONING COMMISSION							
Stan Lemko	Place 2	Same Board	-	-	-	1	-
Robert Holden	Place 3	No	-	-	-	-	-
Thomas Heslep	Alternate Place 2	Same Board	-	-	-	1	-
ZONING BOARD of ADJUSTMENT							
Richard Metevier	Place 4	Same Board	-	-	2	3	1
Darrah Boxberger-Torres	Place 5	Same Board	2	5	3	4	1
Richard Holderby	Alternate Place 2	Same Board	5	3	4	2	1
David Smith	Alternate Place 3	Same Board	-	-	-	-	-

BOARD AND COMMISSION APPLICANT PREFERENCES

Applicant Name	Ethics Board	HVDCD	Parks Board	P & Z	ZBA
Vanessa Boyd	2	3	1	-	-
Annette Brunken	5	3	4	2	1
Kevan Fenderson	3	2	1	-	-
Manika Kataria	3	2	1	-	-
Joseph Land	1	3	5	4	2
John McGee	No Preference				
Elisabeth Mechem	1	2	-	-	-
Charles Payne (Kerry)	5	3	4	1	2
Angelina Robinson	-	3	-	1	2
Kelley Scott	-	3	2	1	-
Robert Shade	5	2	1	4	3
Norman Shultz	1	2	-	-	-
Stanley Wilkins (Ricky)	No Preference				

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 2	MEETING DATE: 08/28/18
SUBJECT:	Discuss Emergency Medical Service (EMS) Fees
PREPARED BY:	Ken Heerman, Assistant City Manager

BACKGROUND:

The City periodically reviews EMS fees billed to patients requiring medical treatment / transport by City EMS apparatus. The current fees were established in April of 2010. This is partial cost recovery, and fees generally are determined in conjunction with prevailing market rates – with Highland Village generally on the low end of the spectrum. The City outsources the EMS billing service to a company (Emergicon) that specializes in this type of billing. Revenues total roughly \$200,000 per year.

IDENTIFIED NEED/S:

EMS charges are first billed to insurance, with balance not paid by insurance to be collected from the patient. Roughly one half of the billings are directed to Medicare (52%), a small percentage to Medicaid (3%), with the remainder to be collected from insurance (27%) and patients (18%). Most of the patient balances go unpaid. Council has previously expressed desire to not pursue third party collection of these balances.

In regard to fee structure, Highland Village is at the bottom end of fees assessed by surrounding jurisdictions.

Current Rates Resident						
	<u>BLS</u>	<u>ALS</u>	<u>ALS 2</u>	<u>ALS Disp</u>	<u>BLS Disp</u>	<u>TNT</u>
Coppell	\$ 750	\$ 850	\$ 950	\$ 400	\$ 200	\$ -
*Argyle	750	850	950	350	250	0
Flower Mound	780	850	950	400	200	100
*Lake Cities	950	850	1100	420	295	100
*Highland Village	\$ 562	\$ 562	\$ 562	\$ 312	\$ 312	\$ 281

City of Lewisville EMS fees are an itemized billed based on provided medical treatment and transport of the individual needs. Lewisville EMS billing is an internal function of the City.

Current Rates Non-Resident						
	BLS	ALS	ALS 2	ALS Disp	BLS Disp	TNT
Coppell	\$ 850	\$ 950	\$ 1,050	\$ 400	\$ 200	\$ -
*Argyle	850	950	1050	350	250	0
Flower Mound	850	950	1050	400	200	100
*Lake Cities	950	950	1200	420	295	100
*Highland Village	\$ 700	\$ 700	\$ 700	\$ 312	\$ 312	\$ 350
*Balance Billing						
BLS - Basic Life Support						
ALS - Advanced Life Support						

There are various billing models used by cities, with all with primary billing to insurance. Various approaches are employed for the balance not paid by insurance, generally summarized as follows:

- **Balance Bill** – Remaining charges not paid by insurance are billed to patient (Note: Medicare / Medicaid billings stipulate the amount they provide is considered full payment, thus not allowing any balance billing).
- **Subscription Service** – Residents can enroll in an Ambulance Subscription services for a monthly / annual fee with purpose of covering the amount of an EMS bill not paid by the insurance provider. If a person does not have health care insurance, this program covers emergency medical services delivered prior to hospital arrival. The costs generally range from \$60 - \$100 per year per family.
- **No Balance Bill (Residents only)**– Cities can simply stipulate by ordinance to not balance bill **residents**, with justification that this cost is included under umbrella of City costs that are paid by property tax. This option would thus, not be available for non-residents, and balance billing would apply.

PROGRESS TO DATE: (if appropriate)

A suggested change for Council consideration is two-fold:

- 1) Updating ordinance to stipulate that EMS billing is only collected from insurance, Medicare and Medicaid, with any remaining balance to be written off.
- 2) Increase fees to reflect market, capturing an increased percentage of fees insurance companies are willing to pay. The higher fee will not affect Highland Village residents directly.

Considerations:

- It is anticipated the overall effect on revenues to be neutral, as increased amount on insurance payments will offset non-collection of balance billing.
- Increased rates would affect mutual aid customers. (Each jurisdiction providing mutual aid bills patients they transport).
- General insurance trends of policies with high deductibles will result in increasing amounts that will not be collected – especially for billings toward the beginning of each year where it is less likely the deductible is already met. Given that transports to the hospital are likely to result in associated medical expense, EMS billing can be delayed to increase chances of the deductible thresholds already satisfied with the medical expense.

Most recent full year billing information (FY 2017)

Resident

	Count	Charges	Cont Allow	Net Chg	Write Off	Refunds	Payment	Balance	Collection
Insurance	93	\$84,851.50	(\$7,218.28)	\$77,633.22	(\$8,735.23)	\$0.00	(\$67,958.24)	\$939.75	80%
Medicare	212	\$127,142.90	(\$35,271.35)	\$91,871.55	(\$5,548.71)	\$0.00	(\$86,560.99)	(\$238.15)	68%
Medicaid	10	\$9,660.00	(\$5,865.23)	\$3,794.77	(\$913.00)	\$0.00	(\$2,881.77)	\$0.00	30%
Private Pay	25	\$14,944.00	(\$150.25)	\$14,793.75	(\$10,155.50)	\$0.00	(\$2,828.75)	\$1,809.50	19%
WC	1	\$913.00	(\$362.26)	\$550.74	\$0.00	\$0.00	(\$550.74)	\$0.00	60%
Total	341	\$237,511.40	(\$48,867.37)	\$188,644.03	(\$25,352.44)	\$0.00	(\$160,780.49)	\$2,511.10	68%

Non-Resident

	Count	Charges	Cont Allow	Net Chg	Write Off	Refunds	Payment	Balance	Collection
Insurance	51	\$53,752.25	(\$2,183.97)	\$51,568.28	(\$8,806.88)	\$0.00	(\$41,560.73)	\$1,200.67	77%
Medicare	32	\$23,726.00	(\$9,665.30)	\$14,060.70	(\$1,091.69)	\$0.00	(\$12,749.01)	\$220.00	54%
Medicaid	4	\$4,171.50	(\$2,930.65)	\$1,240.85	\$0.00	\$0.00	(\$1,240.85)	\$0.00	30%
Private	28	\$20,153.50	\$0.00	\$20,153.50	(\$14,689.00)	\$0.00	(\$1,056.50)	\$4,408.00	5%
WC	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
Total	115	\$101,803.25	(\$14,779.92)	\$87,023.33	(\$24,587.57)	\$0.00	(\$56,607.09)	\$5,828.67	56%

RECOMMENDATION:

No action required. This is a discussion item only.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10

MEETING DATE: 08/28/18

SUBJECT: Mayor and Council Reports on Items of Community Interest

PREPARED BY: Karen Bradley, Administrative Assistant to City Secretary

COMMENTS

Pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

- Presentation of Life Saving Achievement Award
- Presentation of a Proclamation for National Preparedness Month



Proclamation

Whereas, “National Preparedness Month” creates an important opportunity for every resident of the City of Highland Village to prepare for any type of emergency where they live, work, and play; and

Whereas, taking steps toward personal preparedness and ensuring that our households, workplaces, schools, houses of worship, and community-based organizations are prepared for disaster can reduce fatalities and economic devastation following a major crisis; and

Whereas, emergency preparedness is the responsibility of every resident of Highland Village and all residents are urged to make preparedness a priority and to work together to ensure that individuals, families, and communities are prepared for disasters and emergencies of any type; and

Whereas, all residents and businesses of Highland Village, Texas are encouraged to participate in preparedness activities and are asked to visit *ready.gov* and register to become prepared.

Now therefore, I, Charlotte J. Wilcox, Mayor of the City of Highland Village, do hereby proclaim the month of September as:

“National Preparedness Month”

in the City of Highland Village.

In witness whereof, I have hereunto set my hand and caused the seal of the City of Highland Village to be affixed on this 28th day of August 2018.

Charlotte J. Wilcox, Mayor

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 11

MEETING DATE: 08/28/18

SUBJECT: Consider Approval of Minutes of the Regular City Council Meeting held on August 14, 2018

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Minutes are approved by a majority vote of Council at the Council meetings and listed on the Consent Agenda.

IDENTIFIED NEED/S:

Council is encouraged to call the City Secretary's Office prior to the meeting with suggested changes. Upon doing so, staff will make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote.

OPTIONS & RESULTS:

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

PROGRESS TO DATE: (if appropriate)

The City Manager has reviewed the minutes and given approval to include the minutes in this packet.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve the minutes of the August 14, 2018 City Council meeting.

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX
TUESDAY, AUGUST 14, 2018**

Mayor Charlotte J. Wilcox called the meeting to order at 6:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist
	Karen Bradley	Administrative Assistant

EARLY WORK SESSION

1. Receive an Update regarding Projects, Operations and Services from Upper Trinity Regional Water District (UTRWD)

UTRWD Vice President Rich Lubke provided a status update to Council and City staff. He reported the transition to new Executive Director Larry Patterson has gone very well. He stated the Board of Directors are working well together, and that the Town of Northlake has joined the UTRWD as a new member entity.

He also reported on Lake Ralph Hall, which was constructed to help provide a future reliable water supply in the North Texas region. Over 8,000 acres has been purchased, including the entire dam site area. Mr. Lubke stated all approvals have been granted and UTRWD is waiting on their 404 Permit from the US Army Corps of Engineers, which he expects will be approved sometime early next year.

The UTRWD budget that was initially proposed included a 30% increase due to fees incurred from the purchase of additional water from the City of Dallas. However, Mr. Lubke reported the fee was less and their budget was updated to reflect only a 9% increase. Due to the growth in northeast Denton County, the new Tom Harpool Water Treatment Plant has been constructed and is nearing completion. There will be no cost to Highland Village residents relating to the new treatment plant.

2. Discuss the Utility Fund Budget and Follow Up Discussion on the General Fund Budget and Special Revenue Funds for Fiscal Year 2018-2019

Utility Fund Budget

Assistant City Manager Ken Heerman reported the utility rate structure change that was implemented last year is working as designed with enough funds in reserves to pay for repairs to three water wells that have failed this year. City Manager Michael Leavitt stated there is no proposed rate change for water or wastewater. There was only one Utility Fund Supplemental Request, which includes \$25,000 for an intern to prepare a GPS map of sewer manholes, storm inlets/outlets and any new City infrastructure projects.

Special Revenue Funds

Mr. Heerman provided an overview of the Special Revenue Funds, which includes the Corps Leased Parks Fund. Copperas Branch Park and Pilot Knoll Park are leased from the U.S. Army Corps of Engineers (USACE).

He reported that Copperas Branch Park is supported from admission fees and permits received in the Special Revenue Fund. All fees must be designated and expended for operations, maintenance and improvements made to the park. A separate budget is adopted to track revenues and expenditures in accordance with the lease agreement with the USACE. The park has been used as a staging area for TxDOT during the reconstruction of IH-35 and was closed for the duration of the project, with the City receiving mitigation funds. Mr. Heerman reported there are no remaining I-15 mitigation funds. After being closed for 5 years, the park was recently returned to the City. Significant work was done to re-open the park for public use, with more work to follow. The Fiscal Year 2018-2019 Budget includes \$73,000 for a Copperas Master Plan Study. Mr. Leavitt reported the majority of the park is in a flood plain so that does limit what can be done there. He also added there is some unknown regarding use of the park as another staging area for the next phase of the IH-35 project.

In this year's budget, funds were allocated for the rehab of the overnight and day-use restrooms at Pilot Knoll Park, and the budget will end with a good fund balance.

FY 2019 Budget

Mr. Heerman provided a suggested timeline for the budget process. Budget presentations and public hearings will continue at the August 28 and September 11 City Council meetings.

3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 14, 2018

Relating to Agenda Item #19, City Manager Michael Leavitt reported with the recent rains a lot of pressure was taken off the water wells so the City did not have to move to Phase II of the water conservation measures. However, he reported the Highland Shores water well went into a failure; therefore, information on needed emergency repairs will be presented to Council at their August 28th meeting.

Relating to Agenda Item #14, Mr. Leavitt reported the lowest bid for the 2018 asphalt overlay project came in \$91,000 less than what was budgeted for the project. He wished to designate use of the leftover funds for engineering services related to a trail project in Chapel Hills, which would tie into the City's trail system. He reported this connection has been included in the overall trail plan for a long time and there has been recent citizen dialogue about this. Mr. Leavitt stated future funds could be included to complete the project. Consensus of Council was to move forward with this plan.

Early Work Session ended at 7:24 p.m.

CLOSED SESSION

4. **Hold a closed meeting in accordance with the following sections of the Texas Government Code:**
(a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

Council did not meet in Closed Session.

OPEN SESSION

5. **Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:35 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember

Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist

6. **Prayer to be led by Deputy Mayor Pro Tem Barbara Fleming**

Deputy Mayor Pro Tem Fleming gave the invocation.

7. **Pledge of Allegiance to the U.S. and Texas flags to be led by Deputy Mayor Pro Tem Barbara Fleming: *“Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”***

Deputy Mayor Pro Tem Fleming led the Pledge of Allegiance to the U.S. and Texas flags.

8. **Visitor Comments**

The following person spoke:

Tanner Wilson (4025 Creekwood, Flower Mound) – Mr. Wilson reported Highland Village resident Cross Hanas is an accomplished hockey player and has been selected to

compete in the Five Nations Tournament in Slovakia. Since there is no ice rink close to Highland Village, Mr. Wilson suggested building an ice rink in the city or the surrounding area.

9. City Manager/Staff Reports

- **HVTV Update**

The HVTV Update informed residents of the upcoming Highland Village Lions Club Balloon Festival to take place August 17-19 at Unity Park, the change to Community Waste Disposal for the City's solid waste services and the ability to request a larger recycling cart. The update also included a reminder to drivers to use caution and to be mindful of students since school is now back in session.

10. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

Chief of Police Doug Reim provided an update on the annual Steak & Stetson event. This year the event will be held on September 22, includes a steak dinner, live entertainment, silent and live auctions, and dancing. Proceeds from the event will support the Special Olympics.

- **Swearing In Ceremony of New Police Officers**

Chief Reim swore in Officer Curtis Duncan-Pritchard and Officer Fabiola Ramirez. Their families and many officers from the Highland Village Police Department and Police Auxiliary were present.

CONSENT AGENDA

- 11. Consider Approval of Minutes of the Regular City Council Meeting held on July 24, 2018**
- 12. Consider Ordinance 2018-1249 Amending the Development and Use Regulations relating to the Property located at Lot 1, Barnett Center, Phase I, said Property being located in the Barnett Center PD-C Planned Development District, more commonly known as 2910 Justin Road (2nd and final read)**
- 13. Consider Ordinance 2018-1250 Adopting Amendments to the Fiscal Year 2017-2018 Budget (2nd and final read)**
- 14. Consider Resolution 2018-2764 Awarding and Authorizing a Contract with Reynolds Asphalt & Construction Company for the 2018 Asphalt Overlay Project**
- 15. Receive Investment Report for the Quarter Ending June 30, 2018**
- 16. Receive the Budget Reports for Period Ending June 30, 2018**

Motion by Mayor Pro Tem Busche, seconded by Deputy Mayor Pro Tem Fleming, to approve Consent Agenda Items #11 through #16. Motion carried 7-0.

ACTION AGENDA

17. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:

(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

NO ACTION TAKEN

Council did not meet in Closed Session.

18. Discuss Ad Valorem Tax Rate for Year 2018 and Consider Taking Record Vote if Proposed Tax Rate Exceeds the Lower of the Rollback or the Effective Tax Rate and Consider Setting Two Public Hearing Dates of August 28, 2018 and September 11, 2018 on the Proposed Fiscal Year 2018-2019 Budget and Tax Rate

RECORD VOTE TAKEN (7 – 0)

Assistant City Manager Ken Heerman reported Truth in Taxation requires two public hearings, preceded by required public hearing notices of the hearings and the proposed real property tax rate, before implementing a property tax rate if a rate is considered which will exceed the lower of the rollback or effective rate. He explained as the City's current tax rate of \$0.56802 is below the rollback rate of \$.602583, but exceeds the effective rate of \$0.54959, Council must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item for any rate that exceeds the effective rate. Mr. Heerman further reported this vote does not commit Council to a tax rate; however, the Council cannot ultimately adopt a tax rate that exceeds the rate that is proposed in the motion approved by the Council.

With the current year increase in the tax roll, Mr. Heerman reported budget projections indicate there may be an opportunity to decrease the tax rate and still provide sufficient revenues to fund expenditures necessary to maintain current service levels. Staff recommended Council consider adoption of a tax rate of \$.56302, which is a ½-cent decrease from the current tax rate.

Mayor Wilcox asked if the same parameters would be used in 2020, which is when staff reported there is potential to consider another proposed ½-cent tax decrease. Mr. Heerman stated the same would be used at that time. Councilmember Kixmiller asked what the actual increase in property values was and how that relates to last year. Mr. Heerman reported 5.6%, which is consistent with the past 4 years. He stated over a longer period that historically, the existing valuation will increase approximately 2.5% each year, depending upon new growth. Mr. Heerman stated he does believe it will revert to the lower, but the last few years have been higher given the economy and dynamics of our local market.

Motion by Councilmember Jaworski, seconded by Councilmember Kixmiller, to adopt a \$0.56302 per \$100 valuation be proposed for adoption as the City's Ad Valorem tax rate for the 2018 tax year and set August 28, 2018, and September 11, 2018, as the dates for holding public hearings to receive public comment on said tax rate and the 2018-2019 Fiscal Year budget.

***City Secretary Angela Miller took a roll call vote on the motion, which carried 7-0:
Councilmember Lombardo - Aye***

Deputy Mayor Pro Tem Fleming - Aye
Councilmember Kixmiller - Aye
Mayor Wilcox - Aye
Mayor Pro Tem Busche - Aye
Councilmember Fiester – Aye
Councilmember Jaworski - Aye

19. **Consider Resolution 2018-2765 Ratifying the Emergency Declaration and Authorizing the City Manager to Negotiate and Execute Agreement(s) with Layne Christensen Company for Repairs to the Lake Vista and FM 407 Water Wells**
APPROVED (7 – 0)

Public Works Director Scott Kriston reported that in July the City's Lake Vista well was taken out of service as it revealed motor start up issues. Later in July, the City's FM 407 well was also taken out of service as it revealed pump flow issues. After troubleshooting the problems, City staff discovered the Lake Vista well exhibited a direct short on the power lead to the submersible well motor and the FM 407 well was producing brass shavings in the raw water. Utility records show that the Lake Vista well pump was replaced in 2015 and the FM 407 well pump was replaced in 2012. The typical life expectancy of a well pump is approximately 5 years.

Pursuant to Section 6.17.B. of the City Charter, upon staff recommendation, the City Manager declared that an emergency existed and that the immediate procurement of goods and services related to returning the Lake Vista and FM 407 wells into proper working condition was necessary. Staff contacted both Weisinger Inc. (who has performed repairs on the City's wells previously), and Layne Christensen Company to obtain quotes to pull both well pumps for inspection and to provide repair quotes. Layne Christensen Company provided the lowest cost for this service and was able to mobilize more quickly than Weisinger. Utility staff scheduled Layne Christensen Company to mobilize on July 26, 2018 to pull the well pumps, take them back to their shop and troubleshoot them. To date, purchase orders in the amount of \$40,900 have been authorized by the City Manager relating to the repair services performed or authorized.

Motion by Mayor Pro Tem Busche, seconded by Deputy Mayor Pro Tem Fleming, to approve Resolution 2018-2765. Motion carried 7-0.

Councilmember Fiester asked if this warrants moving into Phase II water conservation. Mr. Kriston reported Phase II is not being enacted at this time; however, City staff is monitoring the City's water supply and demand closely to determine if it will be needed.

LATE WORK SESSION

20. **Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)**

Councilmember Jaworski reminded everyone to be mindful of their speed when driving since school will be starting on Wednesday, August 15.

21. **Adjournment**

Mayor Wilcox adjourned the meeting at 8:19 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

DRAFT

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: 08/28/18

SUBJECT: Consider Resolution 2018-2766 Ratifying the Emergency Declaration by the City Manager and Authorizing Work to be Performed by Shermco Industries and Layne Christensen Company for the Highland Shores Well Motor Repairs; Authorizing Additional Agreements and Change Orders

PREPARED BY: Scott Kriston, Public Works Director

BACKGROUND:

On August 14, 2018, the City's Highland Shores well, located in the Highland Shores subdivision, was taken out of service as it revealed motor start up issues. After troubleshooting the problem, City staff discovered the Highland Shores well motor exhibited a direct short in the motor windings. Utility records show that the Highland Shores well motor was replaced in 2012. The typical life expectancy of a well motor is approximately 5-10 years.

The well is used as a source of potable water supply for the City of Highland Village. The public health hazard posed to the citizens of the City of Highland Village by the unexpected failure of the well is significant and constitutes an emergency. Therefore, pursuant to Section 6.17.B. of the City Charter of the City of Highland Village, upon staff recommendation, the City Manager declared that an emergency existed, that the immediate procurement of goods and services related to returning the Highland Shores well into proper working condition was necessary for (i) the preservation of the public health and safety of the City's residents and (ii) the repair of unforeseen damage to public machinery, equipment, or other property, and that, pursuant to Texas Local Government Code §§252.022(a)(2) and (3), such procurement shall be exempt from the bidding requirements set forth in Chapter 252 of the Texas Local Government Code.

IDENTIFIED NEED/S:

Ratify the City Manager's emergency declaration and authorization of the emergency repairs to the Highland Shores well conducted to date and authorize additional agreements and change orders relating to completion of the well repairs subject to availability of current funds.

OPTIONS & RESULTS:

With increasing water demands, if the City did not repair the Highland Shores well, the City's water supply decrease of 1.0MGD could pose a public health hazard.

PROGRESS TO DATE: (if appropriate)

Staff contacted both Shermco Industries (who has performed well motor repairs on the City's

wells previously), and Layne Christensen Company to obtain a motor rental. Layne Christensen Company provided the motor rental and was able to mobilize on August 15th. Utility staff and Layne Christensen Company pulled the well motor and installed the rental motor. Staff took the well motor to Shermco's shop in Irving for breakdown and repairs.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Funded through the Utility fund.

RECOMMENDATION:

To approve Resolution 2018-2766 as presented.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2018-2766

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, RATIFYING THE EMERGENCY DECLARATION BY THE CITY MANAGER AUTHORIZING WORK TO BE PERFORMED BY LAYNE CHRISTENSEN COMPANY AND SHERMCO INDUSTRIES RELATING TO THE REPAIR OF HIGHLAND SHORES WATER WELL; AUTHORIZING ADDITIONAL AGREEMENTS AND CHANGE ORDERS RELATING TO THE REPAIR OF SAID WELLS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the pump motor for the City's Highland Shores Water Well ("the Well") failed on August 14, 2018; and

WHEREAS, the public health hazard posed to the citizens of the City of Highland Village by the unexpected failure of the Well is significant and constitutes an emergency; and

WHEREAS pursuant to Section 6.17.B. of the City Charter of the City of Highland Village, the City Manager declared that an emergency existed, that the immediate procurement of goods and services related to returning the Well to proper working condition was necessary for (i) the preservation of the public health and safety of the City's residents and (ii) the repair of unforeseen damage to public machinery, equipment, or other property, and, that, pursuant to Texas Local Government Code §§252.022(a)(2) and (3), such procurement shall be exempt from the bidding requirements set forth in Chapter 252 of the Texas Local Government Code; and

WHEREAS, pursuant to the foregoing declaration, the City Manager entered into agreements on behalf of the City with (i) Layne Christensen Company to pull the existing Well pump and provide a temporary pump pending repairs of the City's pump and (ii) Shermco Industries to perform the repairs on the Well pump; and

WHEREAS the City Council of the City of Highland Village, Texas, finds it to be in the public interest to approved, ratify and authorize the actions of the City Manager described above;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

SECTION 1. The emergency declaration of the City Manager and the City Manager's acts in entering into agreements on behalf of the City with Layne Christensen Company and Shermco Industries to provide the above described services relating to repair of the Well are hereby ratified, approved and authorized as if originally approved by the City Council prior to such actions being taken.

SECTION 2. The City Manager is authorized to pay for the foregoing services from current funds available for such purposes and, subject to applicable state laws, city policies, and the availability of current funds for such purpose, and is further authorized to negotiate and sign such other agreements and change orders as the City Manager determines to be in the best interest of the City and necessary for completion of the repairs to the Well.

SECTION 3. This Resolution shall be effective immediately upon passage.

PASSED AND APPROVED THIS THE 28TH DAY OF AUGUST 2018.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:8/21/18:101982)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14	MEETING DATE: 08/28/18
SUBJECT:	Presentation of City Manager Recommended Budget for Fiscal Year 2018-2019
PREPARED BY:	Ken Heerman, Assistant City Manager

BACKGROUND:

City staff has presented the components of the FY 2018-2019 Budget in various work sessions starting with the Capital Improvement Program at the June 26th Council meeting, and the General Fund and Special Revenue Funds were discussed at the two meetings in July (July 10th and 24th). Finally, the Utility Fund was reviewed at the August 14th Council Meeting. Concurrent with the first of two public hearings, the City Manager Recommended Budget is presented to Council inclusive of feedback provided with the various budget discussions.

IDENTIFIED NEED/S:

The proposed budget can be viewed on the City website at:

<http://tx-highlandvillage.civicplus.com/DocumentCenter/View/6028/FY-2019-CM-Recommended-Budget>

RECOMMENDATION:

Council to receive presentation from the City Manager.



CITY MANAGER
1000 Highland Village Road
Highland Village, TX 75077
972-899-5131 F 972-317-0237
www.highlandvillage.org

August 24, 2018

Honorable Mayor Charlotte Wilcox and Members of City Council,

It is my pleasure to submit the City of Highland Village Fiscal Year 2018 – 2019 Recommended Budget and Program of Services. The annual budget guides the City's plan for providing the services, facilities, and infrastructure that has made Highland Village one of the "Best Places to Live" by *D Magazine*.

Historically, our Mission Statement and Values were utilized to focus and direct the organization communicating the intended direction of the City. Recognizing the power of both the Mission Statement and Values, these provided us excellent framework in stating our City Objectives which maintain drive and focus toward our Values. A major component in achieving success is refining our Mission Statement, Values, and City Objectives in a clear direction for not only this Fiscal Year, but in guiding our five-year forecast as well. It is the goal of both Council and staff to maintain our organization and the community as a whole in a positive direction, efficiently providing necessary services for residents. Included within the budget message are our refined Departmental Objectives which reflect the corresponding Values.

In accordance with the Texas Local Government Code and the Charter of the City of Highland Village, the Recommended Budget and Program of Services for the Fiscal Year beginning October 1, 2018, and ending September 30, 2019, is constructed for your review and comment and filed with the City Secretary. It presents, in summary form, the revenues and expenditures for each of the City's Departments, as well as the five-year Capital Improvement Program (CIP).

To communicate and facilitate the City's Budget and Program of Services, this budget message is divided into the following sections:

- I. **Overview**
- II. **Mission, Values, City Objectives, and Departmental Objectives**
- III. **General Fund Budget Highlights**
- IV. **Financial Assessment**
- V. **Conclusion**

I. OVERVIEW

Highlighted in this document are the Mission Statement, Values, City Objectives, and Departmental Objectives for the City. Thus providing the direction for growth, operational excellence, a financially sound government, enhanced quality of life, as well as a safe and secure community.

Mayor Wilcox captures the essence of our role in preparing the budget each year:

"As Mayor of Highland Village, working with City Council and staff, as each decision comes before us I always frame my questions with 'how will our residents benefit from this?' It is our goal to be responsible with your money, transparent in how your money is spent, and conscientious of ensuring you, the taxpayer, receive the best service and amenities your money can buy."

While there is limited population growth within the City of Highland Village, our assessed valuation growth has been very positive and steady. The assessed valuations from Denton Central Appraisal District (DCAD) for this budget year has increased 5.6%. An increase of 3.8% over Fiscal Year 2017 – 2018 revenue, providing an additional \$640,771 for Fiscal Year 2018 - 2019. Due to the combination of a solid year end projection along with an increase in our final tax role, we are projecting a Fund Balance of 38% or \$6,744,126. As a result, staff has recommended to bring forward a major capital expense that is identified in the Fiscal Year 2019 – 2020 Budget (the purchase of a Fire Engine and Ambulance) to the Fiscal Year 2018 – 2019 Budget. In addition, we are also recommending a two-stage tax decrease totaling \$0.01. The first \$0.005 would be implemented with the Fiscal Year 2018 – 2019 Budget. This would allow the City to establish a benchmark and implement the second stage, another \$0.005, with the Fiscal Year 2021 Budget.

II. MISSION, VALUES, CITY OBJECTIVES, AND DEPARTMENTAL OBJECTIVES

The following assumptions are priorities in our budget development considerations for Fiscal Year 2018 – 2019.

- **Tax Rate Management:** For Fiscal Year 2019, our certified tax roll provides an increase of 5.6%. The tax rate is allocated between Maintenance & Operations and Debt Service. We will continue to ensure that all Enterprise Funds, such as the Utility Fund, are covering indirect costs, as well as direct services. The tax rate of \$0.56802 was approved with Fiscal Year 2018 reflecting a decrease from previous years. We are recommending a \$0.005 decrease bringing the tax rate to \$0.56302 for Fiscal Year 2018 – 2019.
- **Assessed Valuation:** Denton Central Appraisal District (DCAD) is projecting growth in our assessed values. With the proposed tax decrease, the certified tax role provides \$563,852 additional revenue, with \$361,290 of that amount directed to Debt Service, leaving \$202,562 additional funding for the General Fund.
- **Fund Balances:** Our Financial Policies require a minimum of 20% Fund Balance, with a targeted range of 20% to 25%. Our initial projection in the five-year forecast reflected an estimated Fund Balance of approximately 38% for Fiscal Year 2019. Therefore, it is the recommendation of staff to bring forward a major capital expense which is currently identified in the Fiscal Year 2019 – 2020 Budget (the purchase of a Fire Engine and Ambulance) to the Fiscal Year 2018 – 2019 Budget.
- **Five-Year Forecast:** A focus on the five-year General Fund forecast and CIP shall provide guidance for development initiatives in future years.
- **Budget Process:** Departmental budgets are prepared using the thorough review of a budget software program, which facilitates justification for base budget items and supplemental requests.
- **Salary and Benefits:** Our proposed competitive pay, benefits, and career development structure to attract and retain qualified personnel for Fiscal Year 2018 – 2019 has identified a 4% performance/merit pool increase.

MISSION STATEMENT

We are committed to promoting a spirit of integrity, partnership, and excellence of service for the benefit of our citizens, guests, and neighboring communities; to ensure that Highland Village continues to be a vital and dynamic city with a vision for the future.

VALUES

INTEGRITY

We are dedicated to a high ethical culture, high moral standards, and honesty in our dealings with the public and each other. We will treat all people with dignity, respect, and fairness.

SERVICE

We will provide excellent service to the public in the most responsive, efficient, and effective manner.

- We will recognize and understand the needs of our residential and business community and deliver in a manner that meets or exceeds expectations.

TEAMWORK

We value teamwork, empowerment, and a spirit of cooperative effort from all employee levels within the organization and the community. We believe that the employees of the City are our most valuable resource. Each employee's contribution is the key to our success.

- We will provide a work environment that is respectful of all employees, empowering each with the ability to solve problems, and provide support for employees to grow and attain a personal / work life balance.
- We will support and facilitate volunteer activities and social services that provide service to the city and the community.

RESPONSIVE

We will be a responsive city organization, dedicated to maintaining a well-trained and competent workforce to enhance the quality of life in our city.

- We will foster a work force comprised of professional, highly qualified, and customer friendly employees to provide timely and accurate responses to the needs of the community.

COMMUNICATION

We believe in simplicity, accuracy, and clarity in communications with the public and each other. We encourage the open exchange of ideas and information.

- We will work to instill a sense of community with our external and internal customers through multiple two-way communication avenues.

ACCOUNTABLE

We are committed to a financially responsible local government, one that is cost conscious and concerned about the effective and efficient delivery of services to the public.

- We will achieve the highest ethical standards in providing all goods and services, using financial and departmental recognized "best practices."

ENTERPRISING

We value innovation and creativity, and support a culture for change and reasonable risk-taking at all levels of the organization.

- We will innovate by generating creative solutions to problems that will result in improved performance, better outcomes, and higher productivity in our programs and services.

DEPARTMENTAL OBJECTIVES WITH CORRESPONDING CORE VALUES

FINANCE DEPARTMENT

- **Teamwork** In conjunction with Information Services, complete data conversion of Utility Billing, Municipal Court, and Cash Collections software to current version.
- **Accountable** Review the EMS fee structure and billing model and recommend changes if necessary to facilitate cost recovery with the objective of achieving fairness to customers.
- **Accountable** Investigate and consider updates to the Finance Department's website to contain disclosures that would qualify the City for the Texas Comptroller of Public Accounts Transparency Stars.
- **Integrity** Implement an audit of targeted cash collection functions throughout the City.

MARKETING & COMMUNICATIONS

- **Communication** Work with Public Works to educate residents on guidelines and services of the new solid waste provider, Community Waste Disposal.
- **Communication** Increase use of the City website and social media platforms to inform and engage residents.
- **Teamwork** Work with Public Works and Community Development on educational material to encourage resident compliance with home maintenance codes and general upkeep of the community.
- **Enterprising** Raise awareness of the Highland Village Business Association and promote local businesses through social media, video, and partnerships.

HUMAN RESOURCES

- **Teamwork** We are committed to providing an environment that promotes and supports teamwork across departments. Our On the Spot Program empowers employees to recognize those who go above and beyond expected duties and provides for rewards for a job well done. The new performance management system will also provide a forum for employees to recognize their peers and express appreciation.
- **Accountable** To provide a fair, comprehensive, and sustainable compensation and benefit package to all employees.
- **Communication** Open communication is paramount to a healthy organizational culture. The Human Resources Department continuously strives to provide open and meaningful communication to those we serve, and we encourage the same throughout all departments.
- **Integrity** The Human Resources staff is committed to providing support services while keeping high ethical and moral standards in mind always.
- **Responsive** We continuously promote ongoing training opportunities to increase the professionalism of employees. An in-house Supervisor Series will be developed to

provide all supervisors the knowledge they need to effectively manage their direct reports in accordance with citywide values and service expectations.

- **Responsive** As a support services department, Human Resources values input at all levels. We rely on employee committees, customer feedback, and we build relationships across all departments and organizational levels to ensure the services we provide are valuable, meaningful, and productive.

CITY SECRETARY

- **Teamwork** Continue the migration of paper records in the Public Works and Community Service Departments to a digital content management program and work with Information Services to create custom workflows to automate the process.
- **Communication** Work with the Marketing and Communications Department to raise awareness of opportunities for residents to serve on City boards, commissions, and committees.
- **Integrity** Identify training opportunities for City officials through state and regional resources.

INFORMATION SERVICES

- **Responsive** Upgrade all computers to the Windows 10 Operating System, and initiate a three-year replacement schedule to upgrade and replace all three Disaster Recovery Servers.
- **Teamwork** Reconfigure and optimize the console set up in Dispatch. Replace all remaining Panasonic Tough Books in Police Department vehicles.
- **Service** Implement online payment capability for permits.
- **Enterprising** Following the implementation of the citywide camera replacement program, determine need for additional cameras at Kids Castle and Copperas Park.
- **Teamwork** Implement applications for mobile inspections for the Parks Department.
- **Responsive** Replace Information Services Department desktops with workstation class laptops that will allow for improved performance, mobility, and virtualized test space.

POLICE DEPARTMENT

- **Accountable** To get as close to 100% staffing (sworn officers) as possible. Recruiting and retention of officers is affecting Law Enforcement across the country. There is much competition with richer and larger cities who can offer better salary, benefits and opportunities for progression. Adjustments in pay and opportunities for new hires to attend a police academy have significantly had a positive impact on our staffing levels already.
- **Enterprising** To attain 100% of our selected positions as Emergency Care Attendant (ECA) certified.
- **Service** To maintain a "Top 10" ranking as a Texas Safest City through our existing Community Policing Model.
- **Teamwork** Maintain our community programs that instill the spirit of support and pride throughout the Police Department, such as the TXFallenPD Tribute Event, Special Olympics Texas, and the Annual Toy Drive for Denton County residents. The three of these events put officers, dispatchers, and command staff in various forums throughout the county and promoting our values. Additionally, these three programs raise more than \$150,000 that remains in our county.

- **Responsive** Provide ample training opportunities and unique or newly created duties to challenge and empower our people to continue to grow and be involved in our continuing challenge to Law Enforcement.
- **Teamwork** Continue and enhance our School Resource Officer program funding in order to provide service in all four Highland Village schools with an emphasis on developing relationships by providing a positive impact on the students, parents, faculty, and staff.

FIRE DEPARTMENT

- **Enterprising** Expand training and capabilities of all city staff to respond to Traumatic hemorrhage emergencies with the Stop the Bleed Program.
- **Responsive** Implement a good fitness program with the assistance of a professional trainer to educate staff on proper workouts for appropriate strength and flexibility conditioning.
- **Service** Implement gas monitors to detect hazardous gases found in the work environment.

COMMUNITY SERVICES

- **Enterprising** Implement CityWorks Permitting, License, and Land Use (PLL), which will allow customers to apply for permits online.
- **Accountable** Implement CityWorks PLL for enhanced tracking of all building permits, site plans, concept plans, and Ordinances for potential development within the City of Highland Village.
- **Service** Implement our new solid waste contract with Community Waste Disposal (CWD) in September 2018.

STREET DEPARTMENT

- **Teamwork** Inventory and rate all concrete streets in Highland Village using the standard manual survey method developed by the Federal Highway Administration.
- **Accountable** Identify, design, and construct the 2018 Asphalt Overlay Program based on the Condition Pavement Index (CPI) to enhance our street life cycle and repair program.
- **Accountable** Construct Phase 1 of the 2018 Street Bond Projects.
- **Service** Implement a pavement stripping plan for the Inland Trail System existing network.

MAINTENANCE DEPARTMENT

- **Accountable** Continue interior enhancements of the Police Department and the City Hall rotunda consisting of painting, minor wall repairs, and mill work.
- **Enterprising** Continue our energy efficiency program by installing and retrofitting LED lighting in City Hall to replace all T-8 fluorescent fixture.
- **Accountable** Complete the roof replacements as part of the hail storm recovery.

PARKS AND RECREATION DEPARTMENT

- **Teamwork** Facilitate active participation of Parks and Recreation Advisory Board members in the role of Park Ambassador in and for the community.

- **Responsive** Provide a strategic employee training program focused on improving customer service and individual performance.
- **Accountable** Provide a measurable process to evaluate recreation and event programs for effectiveness in the community.
- **Enterprising** Identify opportunities to enhance Doubletree Ranch Park by adding amenities to improve the experience and new events such as Christmas at the Ranch.

UTILITIES (WATER/WASTEWATER AND DRAINAGE)

- **Accountable** Identify and reduce Inflow and Infiltration (I&I) of our wastewater collection system by performing I&I smoke testing of approximately 20% of the collections system.
- **Service** Reconstruct the existing sanitary sewer main crossing the KCS Railroad in the Canyon Creek subdivision.
- **Service** Replace the existing Asbestos Cement (A/C) water mains in the Canyon Creek subdivision.
- **Communication** Continue the storm water education campaign for Highland Village residents.
- **Integrity** Uphold our commitment to environmental programs by performing water quality testing of local streams and creeks.

III. GENERAL FUND BUDGET HIGHLIGHTS

The General Fund supports all municipal operations with the exception of water, wastewater, and drainage utility operations.

For this Fiscal Year, we have experienced a 5.6% growth in our property values from Denton Central Appraisal District. Although it is the largest element of General Fund revenues, property tax is only one of several revenue sources used to fund City operations. Other sources include sales tax, franchise fees, fines, development fees, charges for service, interest income, and miscellaneous revenue. The tax rate is split between two components – Maintenance & Operations and Debt Service.

The proposed base Fiscal Year 2018 – 2019 General Fund expenditures total \$17,380,424 with \$335,658 identified for supplemental requests. An additional \$1,104,000 is identified in Capital Expense for the one time purchase of a new Fire Engine and Ambulance. These expenditures are accounted for in twelve separate department budgets, which reflect a base budget decrease of 1.0% from Fiscal Year 2017 – 2018, or an increase of 6.9% including supplemental requests and the purchase of both the Fire Engine and Ambulance. The total budget amounts to \$18,820,082.

The following chart is a summary of all departments categorized into three components Personnel, Services/Supplies, and Capital.

Proposed General Fund Fiscal Year 2019 Expenditure (By Category)			
	FY 18 Budget	FY 19 Base	Change
Personnel			
Wages	8,662,992	8,927,814	264,822
Benefits	<u>3,322,245</u>	<u>3,421,971</u>	<u>99,725</u>
<i>Total Personnel</i>	<i>11,985,237</i>	<i>12,349,785</i>	<i>364,548</i>
Services/Supplies			
Professional Services	1,403,078	1,473,011	69,934

Employee Development	345,135	356,211	11,076
Supplies/Equipment	1,004,935	1,060,337	55,402
Utilities	381,832	334,408	(47,424)
Other	<u>1,903,133</u>	<u>1,436,672</u>	<u>(466,461)</u>
<i>Total</i>	<i>5,038,113</i>	<i>4,660,639</i>	<i>(377,473)</i>
<i>Services/Supplies</i>			
Capital	<u>574,709</u>	<u>1,474,000</u>	<u>899,291</u>
Total	17,598,059	18,484,424	886,365

Employee Salary and Benefits

- Our historic and current budget structure for the Personnel Category of the General Fund Budget has consistently ranged from 69% to 70%.
- Employee salaries are structured as a performance/merit pool along with a salary adjustment for employees. To ensure that we remain competitive with the market, we have proposed a 4% performance/merit pool increase.
- In an ongoing effort to provide quality health care options, we are proposing to maintain coverage with our current health insurance provider with an increase of 5%.

Community Identity

- Our first gated community, which will provide 102 single family residential units for residents age 55 or older, is currently under construction. There are only 33 new home applications that remain to be submitted.
- Doubletree Ranch Park is open and fully operational. As we approach the one year anniversary, we are closely monitoring operations and expenditures in accordance with our operations budget for the park.

Public Safety

- School safety is a priority for everyone, we are proposing to enhance our School Resource Officer program this budget year.
- Our Community Policing model focusing on “Prevention through Citizen Awareness and Involvement” continues to be successful for the Police Department.
- In our equipment replacement schedule we identify and budget for the replacement of all rolling stock. Based on our replacement policy, Fire Engines are targeted for a 15 year replacement schedule, and Ambulances are on a seven year replacement schedule. Both the reserve Engine and Ambulance are identified to be replaced. Once replaced, the new equipment will become the frontline response equipment and the current frontline equipment will be placed in reserve. The current reserve Engine is a 2005 model, and the reserve Ambulance is a 2013 model.
- The Highland Village Fire Department is a professional organization that delivers unmatched service to citizens, regardless of whether the need is an emergency or a routine event.

Infrastructure

- In our current CIP for both the General Fund and Enterprise Funds, we have identified facilities and infrastructure that will need to be addressed with growth and development of Highland Village.
- We continue to model our existing water and wastewater systems for Capital Planning for future issuance of Utility Bonds.

IV. FINANCIAL ASSESSMENT

The City of Highland Village continues to be strong financially. Through sound fiscal management over the years, the City has positioned itself well to cope with growth, create a positive atmosphere for economic development, and provide greater flexibility on budgetary issues. The City is able to balance revenues and expenditures while maintaining a high level of service.

Fund Balance

One unrestricted measure of a city's financial strength is the level of its Fund Balance. The City's projected year-end Fiscal Year 2018 unrestricted Fund Balance in the General Fund is \$6,735,401. This balance represents 38% of the projected Fiscal Year 2018 total General Fund expenditures, exceeding the target range of 20% to 25%. This provides opportunity, and is staff's recommendation, to purchase a new Fire Engine and Ambulance outright with the proposed Fiscal Year 2019 Budget. Doing so will decrease our Fund Balance to 30% but will allow us to meet Fund Balance targets in our five-year forecast.

Bond Ratings

The City's bond ratings are further evidence of its financial strength. Standard and Poor's, one of the nation's largest bond rating agencies, upgraded the City to a AAA rating for General Obligation and affirmed the City's bonds are considered to be of excellent investment quality. For General Obligation bonds, the rating agencies commented that the City has a strong economy, strong tax base growth, very strong budgetary flexibility supported by strong financial practices, very strong management and Financial Policies, stable financial performance, as well as solid reserve levels.

Current-Year Capital Projects

A \$7.15M General Obligation Bond was issued in 2018 to address targeted Street Improvements (\$2.8M) and Parks and Recreation Improvements (\$4.29M).

Parks and Recreation Improvements (\$4.29M)

Unity Park

Unity Park is the sole community park and includes multiple amenities for resident use. Improvements include:

- Kids Kastle is at the end of its useful life. The treated wood structure will be replaced with new recycled plastic materials that will provide increased safety and less maintenance. Estimated cost for this project is \$600,250.
- The ponds at Unity Park require dredging to remove accumulated silt as well as improvements to address drainage considerations. A study was conducted in 2017 recommending improvements to accommodate a 50-year flood, which will also benefit the surrounding area. The projected cost to complete this project is \$925,431.
- A section of Unity Park will be redeveloped to add an additional softball field to complement the existing baseball fields. This redevelopment also includes addressing

adjacent sidewalk sections in need of repair and adjustment to meet ADA guidelines. The anticipated cost of these projects is \$1,021,250.

Other Park Projects

- Brazos Parking Lot Extension – A parking lot was constructed at Brazos Park several years ago to relieve parking on adjacent streets. Popularity of these fields has prompted the need to increase the size of the parking area by an additional 50 spaces. The estimated cost of this expansion is \$353,000.
- Victoria Park Walking Trail/Track – The current walking track is badly cracked and uneven, creating potential tripping hazards. Resurfacing and replacing the existing track with a six foot concrete path is anticipated to cost \$198,000.
- Highland Village Road Trail Segment – Construction of a sidewalk on Highland Village Road from the Municipal Complex to Sellmeyer Lane will increase pedestrian safety and connect residents to amenities along Highland Village Road. A large number of residents adjacent to this section do not have direct access to the Inland Trail System connecting them to Lions Club Park, Lakeside Community Park, and Doubletree Ranch Park. This presents a potential safety issue as people walk Highland Village Road to access these amenities. The estimated cost for this trail segment is \$922,300.
- Sunset Point Park – This park is classified as a mini park and serves local residents as a neighborhood park that provides water access to Lewisville Lake. At this time, a scaled down version of this project, consisting of roadway improvements to allow for emergency vehicle turn around capabilities, is anticipated. Further development will be reevaluated at a later date. The roadway improvements are expected to cost \$162,700.

Street Improvements (\$2.8M)

The City of Highland Village conducts a Pavement Condition Inventory Survey to determine the priority of streets that need repair, overlay, or full reconstruction. The streets to be addressed with this bond have reached the end of their life cycle and are in need of full reconstruction. They are as follows:

Rosedale Street	Springway Drive
Ranier Court	Mockingbird Drive
Catesby Place	Post Oak Drive
Rockland Drive	Pecan
Hickory Ridge Drive	Raintree Drive
Oak Forest Drive	Greensprings Street
Winding Creek Drive	Duvall Boulevard
Dickinson Drive	Baird Circle
South Clearwater Drive	Donna Circle
Scenic Drive	Savanna Drive
North Clearwater Drive	Arbor Court

Debt Service Fund

This fund is utilized to account for the debt obligations of the City. Debt Service for Fiscal Year 2018 – 2019 is \$2,733,998 reflecting an increase of \$344,431 from Fiscal Year 2018 due to the new Debt Issue from the November Bond Election for the aforementioned Streets and Parks and

Recreation Improvements. The corresponding Debt Rate portion of the tax rate for Fiscal Year 2019 increased from 12% to 15%. Projected ending Fund Balance for the Debt Service Fund is \$160,380.

Utility Fund

A primary and critical task of any City is the provision of water and wastewater service to its residents. To its credit, Highland Village has secured a stable and reliable source for each of these services through owning and operating five water wells and a subscription with Upper Trinity Regional Water District (UTRWD), which are expected to be sufficient through build-out.

The Utility Fund is an Enterprise Fund that is financed primarily through user charges. Utility rates are maintained to derive sufficient revenues to meet the obligations associated with the provision of water and wastewater services. They are established to pay for delivery and maintenance of water and wastewater to City residents. The structure of the rate is bifocal, with charges associated with wholesale water/wastewater purchases from UTRWD presented as a pass-through charge to residents, and separate rates to address the City's cost of service.

Water sales have been strong due to summertime water usage and the rate adjustment implemented in October 2017. In addition, wastewater sales are also meeting the targeted amount. Since implementing the rate adjustment, we anticipate an increase in our water sales revenue of \$450,000. Increased June and July water sales reflect the bulk of the increase, with roughly 13% of the amount collected attributed to the rate adjustment. The increase in revenue has allowed the City to meet our targeted amount of Equivalent Operating Days (Fund Balance). As stated in our Financial Policies, the City targets a minimum of 90 Equivalent Operating Days and a maximum of 120 Equivalent Operating Days. Currently, the Utility Fund is at 95 Equivalent Operating Days, as opposed to 65 in previous years.

V. CONCLUSION

In preparing the Fiscal Year 2018 – 2019 Recommended Budget and Program of Services, it is our goal to develop a budget that will maintain the desired quality of life, while balancing the needs of the residents. This year's budget document represents a collective effort by City Council and City Staff to meet the challenge. In our development of the budget, there are three essential areas that remain our focus in the fundamental understanding of government's role in providing enhanced core services to our residents: policy coordination and implementation between Council and staff; communications; and measurement and evaluation. City Staff will continue to review and evaluate internal operations for opportunities to reduce costs and improve the provision of funded services.

Sincerely,



Michael Leavitt
City Manager

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: 08/28/18

SUBJECT: Conduct Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2018-2019

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

Truth in Taxation requires two public hearings before implementing a tax rate if a rate is **considered** which will exceed the lower of the rollback or effective rate. The effective rate is generally equal to the prior year's taxes divided by the current taxable value of properties that were also on the tax roll in the prior year. At the July 24th meeting, Council voted to consider a reduced tax rate, a ½ cent decrease from \$.56802 to \$.56302. But as this still exceeds the effective rate of \$.54959, the public hearings are required. This is the first of two public hearings, with the second scheduled for the September 11th Council meeting.

IDENTIFIED NEED/S:

The proposed tax rate of \$.56302 is reduced from last year.

The proposed budget can be viewed on the City website at:

<http://tx-highlandvillage.civicplus.com/DocumentCenter/View/6028/FY-2019-CM-Recommended-Budget>

OPTIONS & RESULTS:

Budget calendar:

- August 24th
 - City Manager Recommended Budget posted on City Website
- August 28th (Regular Council Meeting)
 - Public Hearing on tax rate and budget
- September 11th (Regular Council Meeting)
 - Public Hearing on tax rate and budget
 - 1st read on tax rate and budget
- September 25th (Regular Council Meeting)
 - 2nd read on tax rate and budget

RECOMMENDATION:

Council to conduct a public hearing on the proposed tax rate and budget for FY 2019.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 16

MEETING DATE: 08/28/18

**SUBJECT: Status Reports on Current Projects and Discussion on Future
Agenda Items**

PREPARED BY: Karen Bradley, Administrative Assistant to City Secretary

COMMENTS

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.



UPCOMING EVENTS

August 28, 2018	Regular City Council Mtg. 7:30 pm
September 3, 2018	City Offices Closed in Observance of Labor Day
September 6, 2018	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
September 11, 2018	Regular City Council Mtg. 7:30 pm
September 17, 2018	Park Board Mtg. 6:00 pm (if needed)
September 18, 2018	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
September 25, 2018	Regular City Council Mtg. 7:30 pm
October 4, 2018	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
October 9, 2018	Regular City Council Mtg. 7:30 pm
October 15, 2018	Park Board Mtg. 6:00 pm (if needed)
October 16, 2018	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
October 23, 2018	Regular City Council Mtg. 7:30 pm
November 1, 2018	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
November 13, 2018	Regular City Council Mtg. 7:30 pm
November 19, 2018	Park Board Mtg. 6:00 pm (if needed)
November 20, 2018	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
November 22 - 23, 2018	City Offices Closed in Observance of Thanksgiving
November 27, 2018	Regular City Council Mtg. 7:30 pm
December 6, 2018	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
December 11, 2018	Regular City Council Mtg. 7:30 pm

Note - Please visit www.highlandvillage.org or the City Hall bulletin board for the latest meeting additions and updates