



**AMENDED  
A G E N D A  
SPECIAL MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HIGHLAND VILLAGE MUNICIPAL COMPLEX  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS  
TUESDAY, SEPTEMBER 21, 2021 at 8:30 A.M.**

**OPEN SESSION  
City Council Chambers**

1. Call Meeting to Order

**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.

2. Consider Resolution 2021-2957 authorizing Renewal of the Interlocal Agreement with TML Intergovernmental Risk Pool for City Liability Insurance
3. Consider Resolution 2021-2958 authorizing an Interlocal Agreement with Texas Political Subdivisions Joint Self-Insurance Fund for City Workers' Compensation Insurance for Fiscal Year 2021-2022

**ACTION AGENDA**

4. Consider Ordinance 2021-1287 approving and adopting the Fiscal Year 2021-2022 Annual Budget (*2<sup>nd</sup> and final read*)
5. Consider Ordinance 2021-1288 levying the Ad Valorem Taxes for the Year 2021 at a Rate of \$.56302 per \$100 Assessed Valuation on all Taxable Property within the Corporate Limits of the City of Highland Village as of January 1, 2021 (*2<sup>nd</sup> and final read*)
6. Consider Resolution 2021-2956 ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2021-2022 Budget
7. Consider Resolution 2021-2959 ratifying the Emergency Declaration by the City Manager authorizing Work to be Performed by Four Star Excavating Company relating to the Repair of Sanitary Sewer Infrastructure

8. 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 17<sup>TH</sup> DAY OF SEPTEMBER 2021 NOT LATER THAN 5:00 P.M.



Angela Miller, City Secretary

*Anyone wishing to address the City Council on any item posted on the City Council agenda for possible action must complete a Speakers' Request Form available at the entrance to the City Council Chambers and present it to the City Secretary prior to the Open Session being called to order. Speakers may be limited to three (3) minutes and given only one opportunity to speak on an item. Other procedures regarding speaking on matters posted for action on the City Council agenda are set forth on the Speakers' Request Form. Subject to applicable law, the City Council reserves the right to modify or waive at any time the procedures relating to members of the public speaking on matters placed the Council's agenda.*

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 \_\_\_\_\_, 2021 at \_\_\_\_\_

am / pm by \_\_\_\_\_.

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

<b>AGENDA#</b> 2	<b>MEETING DATE:</b> 09/21/2021
<b>SUBJECT:</b>	<b>Consider Resolution 2021-2957 Authorizing Renewal of the Interlocal Agreement with TML Intergovernmental Risk Pool for Insurance Coverage</b>
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>

**BACKGROUND:**

The City currently obtains property and liability insurance coverage from the TML Intergovernmental Risk Pool (TMLIRP) through an interlocal agreement.

**IDENTIFIED NEED/S:**

Presented for approval is the renewal amount for FY 2022 to continue coverage for general liability, automobile, mobile equipment, law enforcement, public officials (errors and omissions) employee dishonesty, sewer backup, and cyber liability.

**OPTIONS & RESULTS:**

The renewal premium for FY 2022 from TMLIRP totals \$186,390 (inclusive of 2% pre-pay discount). This premium is an increase from last year's premium of \$170,605.

<b>TML Liability Insurance Premium</b>			
		2021 Premium	2022 Premium
	Coverage		
<b>Liability</b>	General Liability	\$12,669	\$13,545
	Law Enforcement Liability	15,110	18,038
	Errors & Omissions Liability	20,055	24,657
	Automobile Liability	27,587	29,021
	Supplemental Sewage Backup	4,878	4,878
	<b>Total Liability Ins Premium</b>	<b>80,299</b>	<b>90,138</b>
<b>Property</b>	Automobile Physical Damage	32,918	32,302
	Real & Personal Property	46,686	51,904
	Mobile Equipment	9,473	10,784
	Public Employee Dishonesty	1,229	1,229
	<b>Subtotal - Property</b>	<b>90,306</b>	<b>96,218</b>
	Cyber Liability		33
	<b>Total Premium</b>	<b>\$170,605</b>	<b>\$186,390</b>

Overall, TML rates for FY 2022 reflected an increase of 9.3%. The total liability premium increased 12.3% over FY 2021, while property coverage reflected a 6.5% increase.

In general, the insurance premium increased due to the following factors:

- General Liability – Rates for general liability generally stayed flat through the pandemic. While FY 2022 premiums increased 6.9%, the three year average is just 1%.
- Law Enforcement and Errors & Omissions Liability premiums increased 19.4% and 22.9% respectively, generally reflective of increased litigation and settlement costs increasing across the state.
- Real / Personal Property reflects an 11.2% increase. This is influenced by extreme weather related events (hail, storms) in Texas the last few years providing an overall 6% increase for TML. Highland Village rates are still affected by the large hail event a few years back.

### **BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

This was a budgeted item in the FY 2022 Budget.

### **RECOMMENDATION:**

Council to approve Resolution 2021-2957.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2021-2957**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING RENEWAL OF THE INTERLOCAL AGREEMENT WITH TML INTERGOVERNMENTAL RISK POOL FOR INSURANCE COVERAGE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Highland Village has had an interlocal agreement with the TML Intergovernmental Risk Pool for property and liability insurance coverage since 2003, from which the City has realized a high level of service as well as substantial savings in insurance premiums; and

**WHEREAS**, City Administration recommends a continuation of said interlocal agreement for Fiscal Year 2021-2022; and

**WHEREAS**, the City Council of the City of Highland Village finds it to be in the public interest to concur in the above recommendation.

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

**Section 1.** The City Manager is hereby authorized to execute the necessary contract documents establishing an interlocal agreement with TML Intergovernmental Risk Pool to provide general liability, automobile, mobile equipment, law enforcement, public officials (errors and omissions) employee dishonestly, sewer backup, and cyber liability insurance for the City in the amount of \$186,390 and to take such additional action as may be reasonable and necessary to comply with the intent of this Resolution.

**Section 2.** This Resolution shall be effective immediately upon its approval.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 21<sup>ST</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**Kevin B. Laughlin, City Attorney**

(kbl:9/16/2021:124811)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 3**

**MEETING DATE: 09/21/2021**

**SUBJECT: Consider Resolution 2021-2958 authorizing an interlocal agreement with Texas Political Subdivisions Joint Self-Insurance Fund for workers compensation insurance for FY 2021-2022**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**BACKGROUND:**

The City has contracted for many years with Texas Political Subdivisions Joint Self-Insurance Fund (TPS) - an intergovernmental risk pool - for its workers compensation insurance. TPS operates through the member cities' insurance brokers, which, in the City's case, is Higginbotham and Associates.

**IDENTIFIED NEED/S:**

The City needs to continue to purchase workers' compensation coverage for City employees in accordance with state law.

**OPTIONS & RESULTS:**

The renewal premium for FY 2022 from TPS is \$134,520, which is a \$6,969 increase from last year's amount of \$127,551. Increase in overall payroll was the primary factor, with a modest increase in the experience factor compared to last year also being a reason.

In general, a very proactive effort by City Staff to maintain a safe work environment has resulted in not only minimal lost work-time, but also lower insurance premiums. The City receives a substantial discount due to the excellent safety record we have maintained. An experience factor is established based on our claim experience compared to the average of other entities in the risk pool. This factor is .76 for the next fiscal year which, while increased from last year's factor of .70, still represents a 24% discount.

**PROGRESS TO DATE: (if appropriate)**

N/A

**BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

The premium renewal amount slightly exceeds the budgeted amount for FY 2022 by \$5,542. However, as the premium is based on budgeted personnel salaries, a true-up with actual

expenditures typically provides a refund to the City. Based on historical data, this will bring us within the budgeted amount.

**RECOMMENDATION:**

To approve Resolution 2021-2958.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2021-2958**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING AN INTERLOCAL AGREEMENT WITH TEXAS POLITICAL SUBDIVISIONS JOINT SELF-INSURANCE FUND FOR WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2021-2022; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City has contracted with the Texas Political Subdivisions Joint Self-Insurance Fund (TPS) for many years for the provision of workers' compensation insurance and has historically received a high level of service as well as substantial savings in insurance premiums over other potential carriers; and

**WHEREAS**, City Administration recommends a continuation of said interlocal agreement for Fiscal Year 2021-2022; and

**WHEREAS**, the City Council of the City of Highland Village finds it to be in the public interest to concur in the above recommendation.

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

**Section 1.** The City Manager is hereby authorized to execute the necessary contract documents establishing an interlocal agreement with TPS to provide workers compensation insurance for the City for a premium in the amount of \$134,520.00 and take such additional action as may be reasonable and necessary to comply with the intent of this Resolution.

**Section 2.** This Resolution shall be effective immediately upon its approval.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 21<sup>ST</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl 9/16/2021:124812)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 4**

**MEETING DATE: 09/21/2021**

**SUBJECT: Consider Ordinance 2021-1287 Adopting the FY 2021-2022 Annual Budget (2<sup>nd</sup> and final read)**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**BACKGROUND:**

City Staff initiated the FY 2022 Budget process in May of this year with departments reviewing programs and related costs in their respective areas. The budget was developed with Council in a series of workshops: the Capital Improvement Program was presented, followed by the General Fund Budget, Special Revenue Funds, and the Utility Fund. The proposed budget has been available on the City Web Site for review by residents. The final document presented is a joint product of Staff and Council to reflect priorities established by Council in the initial stages of this budget process.

The required public hearing was conducted at the September 14, 2021 City Council meeting.

**IDENTIFIED NEED/S:**

The FY 2021/22 Budget is presented for Council approval. The presented budget mirrors the expressed consensus of Council from the budget work sessions.

Truth in Taxation, specifically Local Government Code Section 102.007, requires specific action in adoption of the budget. A vote to adopt the budget must be a record vote, and the adopted budget must contain a cover page that includes a number of specifically worded statements regarding revenue, delineation of the record vote to adopt the budget, tax rates, and debt obligation amounts. All the pertinent information is likewise included in the City Manager Recommended Budget posted on-line, save the record vote of council – which will be updated subsequent to the actual council vote.

Additionally, adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of council to ratify the property tax increase reflected in the budget. As this budget does indeed raise more revenue, this is to be presented as a separate companion agenda item with the second reading of the budget ordinance.

**OPTIONS & RESULTS:**

The complete budget is available for viewing on the City website via the following link, and is on file in the City Secretary's Office:

[FY-2022-CM-Recommended-Budget- \(highlandvillage.org\)](https://www.highlandvillage.org/FY-2022-CM-Recommended-Budget-)

**BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

A budget ordinance follows. Fund expenditure totals are enumerated in the ordinance along with parameters regarding amendments to the approved budget.

**RECOMMENDATION:**

City Council approved the first read of Ordinance 2021-1287 at their September 14, 2021 meeting. Recommendation is to approve the second read of Ordinance 2021-1287 adopting the FY 2021 / 2022 Budget.

**CITY OF HIGHLAND VILLAGE**

**ORDINANCE NO. 2021-1287**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022, AND CATEGORY APPROPRIATIONS FOR EACH FUND AND DEPARTMENT, PROJECT AND ACCOUNT; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR INTER-FUND TRANSFERS; PROVIDING FOR INVESTMENT OF CERTAIN FUNDS; PROVIDING FOR FISCAL AND BUDGETARY POLICY GUIDELINES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, as required by Article VI of the City Charter, the City Manager has prepared and submitted to the City Council a Budget Estimate of expenditures and revenues of all city departments, activities and offices for the fiscal year beginning October 1, 2021, and ending September 30, 2022 (“the FY 2020-2021 Budget”); and

**WHEREAS**, the proposed FY 2021-2022 Budget has been filed with the City Secretary of the City of Highland Village as required by law; and

**WHEREAS**, notice of public hearing upon the proposed FY 2021-2022 Budget has been duly and legally posted or published as required by law; and

**WHEREAS**, said public hearing was held on September 14, 2021, and whereon full and final consideration was given the proposed FY 2021-2022 Budget; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, has determined that the proposed FY 2021-2022 Budget will be sufficient to provide the needed services to Highland Village residents.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS; THAT**

**SECTION 1.** For the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Highland Village for the fiscal year beginning October 1, 2021 and ending September 30, 2022, the FY 2021-2022 Budget heretofore prepared by the City Manager and submitted to the City Council for its consideration and approval, said Budget for the different funds of the City of Highland Village are hereby fixed as follows:

General Fund	20,599,521
Debt Service Fund	2,846,292
Corps Leased Parks Fund	604,506
HV Drainage Utility Fund	532,547
Capital Projects Fund	3,669,094
Public Safety Special Revenue Fund	3,600
Park Development Fee Fund	-0-
PEG Fee Fund	19,400
Municipal Court Technology Fee Fund	3,836
Municipal Court Building Security Fund	-0-

Utility Fund	12,843,037
HV Community Development Fund	741,042
Total Funds	41,862,875

The above said budget is hereby approved for a total of \$41,862,875, and the available resources and revenues of the City of Highland Village for said fiscal year be and the same are hereby appropriated and set aside for the maintenance and operation of the various departments of the Government of the City of Highland Village, together with the various activities and improvements as set forth in said FY 2021-2022 Budget, and expenditures under these appropriations shall not exceed the enumerated line items unless and until the line item(s) shall be amended by a Council-approved budget amendment, and further the expenditures shall be in accordance with the uses and purposes of the respective departments, as such are more specifically identified by the line items, and activities as provided for in said FY 2021-2022 Budget. Amendments to the FY 2021-2022 Budget, including appropriations and expenditures which deviate from this FY 2021-2022 Budget shall be approved by the City Council by presentation of the item on a form in substantial conformity to that attached hereto as Exhibit A. Notwithstanding the foregoing, the City Manager is hereby authorized to make expenditures under this FY 2021-2022 Budget, without budget amendment, which exceed specific line items within expenditure categories, these categories being Personnel, Services/Supplies, and Capital. In no event shall expenditures for any department, expended under the City Manager's authority, exceed the departmental appropriation for said department.

**SECTION 2.** The Budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022, approved herein, is on file in the City Secretary Office.

**SECTION 3.** The expenditures during the fiscal year beginning October 1, 2021, and ending September 30, 2022, shall be made in accordance with the FY 2021-2022 Budget approved by this ordinance unless otherwise authorized by duly enacted ordinance of the City of Highland Village.

**SECTION 4.** The City Manager be and is hereby authorized in accordance with the provisions of Section 6.17 of the City Charter to approve expenditures up to the amount set forth in the financial policies adopted by the City Council, with any expenditure over such amount requiring the approval of the City Council.

**SECTION 5.** The City Manager be and is hereby authorized to make interfund transfers in accordance with budgeted appropriations during the fiscal year.

**SECTION 6.** The City Manager and/or the designated Investment Officer is authorized to invest idle funds, whether operating funds or bond funds in accordance with the City's Investment Policy as prescribed by the Public Funds Investment Act.

**SECTION 7.** The administration and execution of said budget for fiscal year beginning October 1, 2021 and ending September 30, 2022 shall be subject to certain fiscal and budgetary policies as adopted by the City Council.

**SECTION 8.** This Ordinance shall take effect immediately from and after its passage on second reading.

**UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON FIRST READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:**

	<b>Aye</b>	<b>Nay</b>
<b>Charlotte Wilcox, Mayor- Place 1</b>	<b>X</b>	
<b>Jon Kixmiller, Councilmember – Place 2</b>	<b>X</b>	
<b>Mike Lombardo, Councilmember – Place 3</b>	<b>X</b>	
<b>Barbara Fleming, Councilmember – Place 4</b>	<b>X</b>	
<b>Tom Heslep, Councilmember – Place 5</b>	<b>X</b>	
<b>Robert Fiester, Councilmember – Place 6</b>	<b>X</b>	
<b>Daniel Jaworski – Councilmember – Place 7</b>	<b>X</b>	

**WITH 7 VOTING “AYE” AND 0 VOTING “NAY,” AND TWO ABSENT, THIS ORDINANCE NO. 2021-1287 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 14<sup>th</sup> DAY OF SEPTEMBER 2021.**

**UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON SECOND AND FINAL READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:**

	<b>Aye</b>	<b>Nay</b>
<b>Charlotte Wilcox, Mayor- Place 1</b>		
<b>Jon Kixmiller, Councilmember-Place 2</b>		
<b>Mike Lombardo, Councilmember – Place 3</b>		
<b>Barbara Fleming, Councilmember – Place 4</b>		
<b>Tom Heslep, Councilmember – Place 5</b>		
<b>Robert Fiester, Councilmember – Place 6</b>		
<b>Daniel Jaworski – Councilmember – Place 7</b>		

**WITH \_\_\_ VOTING “AYE” AND \_\_\_ VOTING “NAY,” THIS ORDINANCE NO. 2021-1287 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 21<sup>ST</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:9/7/2021:124625)

**ORDINANCE NO. 2021-1287  
EXHIBIT A**

**Budget Amendment Request Worksheet  
Expenditure Line Item for Proposed Change:**

<u>Department</u>	<u>Category</u>	<u>Current Budget (Annual)</u>	<u>Proposed Budget (Annual)</u>	<u>Increase / Decrease</u>
<u>Expenditures</u>				
<u>Total</u>				-

**Reason for Request**

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**FUND BALANCE**

GENERAL FUND BALANCE

Details: **Net Change \$ -**

UTILITY FUND WORKING CAPITAL BALANCE

Details: **Net Change \$**

**COUNCIL APPROVAL  
REQUIRED**

**Inter-Departmental, offset by equal decrease  
or offset by increase in revenue item.**

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 5**

**MEETING DATE: 09/21/2021**

**SUBJECT: Consider Ordinance 2021-1288 Levying the Ad Valorem Taxes for the Year 2021 at a Rate of \$.56302 Per \$100 Assessed Valuation on all Property Within the Corporate Limits of the City of Highland Village as of January 1, 2021 (2nd & final read)**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**BACKGROUND:**

Texas Tax Code §26.05 requires a tax rate be adopted by official action following passage of a budget. The tax rate must be adopted in two separate components – Maintenance and Operations (M&O), and Interest and Sinking (I&S). The total tax rate of \$.56302/\$100 is unchanged from last year. Changes in the tax law for 2020 provided new terminology: the no-new-revenue tax rate (previously effective rate) is the rate that would provide the same amount of funds raised from property taxes for the current fiscal year, and the voter-approved tax rate (previously rollback rate) is the maximum tax rate that City Council may approve without requiring an election. State law requires a public hearing if the proposed tax rate exceeds the lower of the voter-approved tax rate or the no-new-revenue tax rate. The proposed tax rate of \$.56302/\$100 is below the voter-approved tax rate (calculated at \$.571497/\$100) but exceeds the no-new-revenue tax rate (calculated at \$.538551/\$100). Thus, state law requires one public hearing be held regarding the proposed tax rate, as well as placement of associated notices in the city's official newspaper, posting to the City Website, and notices broadcast on HVTV. State law also requires a public hearing be held prior to adoption of the city's annual budget. Accordingly, notice was published, and the public hearing was conducted at the September 14, 2021 City Council meeting.

**IDENTIFIED NEED/S:**

Ordinance No. 2021-1287 provides for the adoption of the City's official budget for Fiscal Year 2021-22. Pursuant to the direction of the City Council, the City Manager has prepared the FY 2021-22 budget based on anticipated revenues to the City from various sources, including the assessment of taxes on real and business personal property located within the City. In order to provide for sufficient revenues to pay the City's operation and maintenance obligations as well as the City's outstanding debt obligations, the FY 2021-22 budget requires the City receive property tax revenues that would be generated through the adoption of the proposed tax rate. Staff has prepared for consideration, Ordinance No. 2021-1288 which provides for the adoption of a total tax rate of \$.56302 per \$100 valuation (composed of a Maintenance and Operation rate of \$0.482635 per \$100 valuation and a debt service rate of \$0.080385 per \$100 valuation) to fund the FY 2021-2022 budget.

- Because the proposed M&O tax rate will exceed the no-new-revenue M&O tax rate (previously M&O effective tax rate) of \$0.475052 per \$100 valuation, state law requires

certain language in larger font be included in the ordinance adopting the tax rate for the next fiscal year (see Section 2 of Ordinance No. 2021-1288).

- In addition, as the proposed tax rate exceeds the no-new-revenue tax rate, at least 60 percent of the governing body must vote in favor of the ordinance by a record vote. State law also requires that the motion approving an ordinance adopting a tax rate that is greater than the no-new-revenue tax rate include specific language (see **Recommendation** section below).

## **BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

The ordinance adopting the tax rate follows this briefing.

## **RECOMMENDATION:**

Council approved the first read of Ordinance 2021-1288 at their September 14, 2021 meeting. Staff recommends approval of Ordinance No. 2021-1288 on second and final read. State law requires the motion to approve the ordinance be made in the following form:

***“I move that the property tax rate be increased by the adoption of a tax rate of \$.56302, which is effectively a 4.5 percent increase in the tax rate and, therefore, I further move that Ordinance No. 2021-1288 be approved on second and final read.”***

**CITY OF HIGHLAND VILLAGE, TEXAS**

**ORDINANCE NO. 2021-1288**

**AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2021 AT A RATE OF \$0.56302 PER \$100 ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF HIGHLAND VILLAGE AS OF JANUARY 1, 2021; TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF HIGHLAND VILLAGE; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; APPROVING THE 2021 TAX ROLL CERTIFIED BY THE CHIEF APPRAISER OF THE DENTON CENTRAL APPRAISAL DISTRICT AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, assessments and renditions of all taxable property in the City of Highland Village have been made for the year 2021 by the Denton Central Appraisal District; and

**WHEREAS**, the City Council has approved Ordinance No. 2021-1287 adopting the City's annual budget for fiscal year 2021-2022; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, has determined that a total tax rate of \$0.56302 per \$100 assessed valuation should be adopted in order to provide funds necessary for the operations and maintenance obligations of the City and to fund required debt payments; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, upon full consideration of the matter, is of the opinion the tax rate hereinafter set forth is proper and should be approved and adopted.

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

**SECTION 1.** There should be and is hereby levied for the year 2021 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Highland Village, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.56302 on each \$100 assessed value of taxable property, which tax shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current operational and maintenance expenses of the municipal government of the City, a tax of \$0.482635 on each one hundred dollars (\$100.00) assessed value of all taxable property within the City of Highland Village.
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Highland Village, not otherwise provided for, a tax of \$0.080385 on each one hundred dollars (\$100.00) of assessed value of taxable property within the City of Highland Village and shall be applied to the payment of interest and maturities of all such outstanding debt, including paying agent fees.

**SECTION 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.15 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$23.65.**

**SECTION 3.** All ad valorem taxes shall become due and payable on October 1, 2021, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2022. There shall be no discount for payment of taxes prior to February 1, 2022. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent on the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2022, incurs a total penalty of twelve percent of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent for each month or portion of a month the tax remains unpaid. Taxes for the year 2015 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2014 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2015 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

**SECTION 4.** The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

**SECTION 5.** The assessments and renditions for the year 2021 on all taxable property and the Tax Roll certified by the Chief Appraiser of the Denton Central Appraisal District as presented to the City Council are hereby approved.

**SECTION 6.** The fact that it is necessary that this Ordinance be enacted in order to authorize the collection of ad valorem taxes for the fiscal year 2021-2022 requires that this Ordinance shall take effect immediately from and after its passage on second reading, as the law in such cases provides.

**UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON FIRST READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:**

	<b>Aye</b>	<b>Nay</b>
<b>Charlotte Wilcox, Mayor – Place 1</b>	<b>X</b>	
<b>Jon Kixmiller, Councilmember – Place 2</b>	<b>X</b>	
<b>Mike Lombardo, Councilmember – Place 3</b>	<b>X</b>	
<b>Barbara Fleming, Councilmember – Place 4</b>	<b>X</b>	
<b>Tom Heslep, Councilmember – Place 5</b>	<b>X</b>	
<b>Robert Fiester, Councilmember – Place 6</b>	<b>X</b>	
<b>Daniel Jaworski – Councilmember – Place 7</b>	<b>X</b>	

**WITH 7 VOTING “AYE” AND 0 VOTING “NAY,” AND TWO ABSENT, THIS ORDINANCE NO. 2021-1288 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 14<sup>th</sup> DAY OF SEPTEMBER 2021.**

**UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON SECOND AND FINAL READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:**

	<b>Aye</b>	<b>Nay</b>
<b>Charlotte Wilcox, Mayor – Place 1</b>		
<b>Jon Kixmiller, Councilmember – Place 2</b>		
<b>Mike Lombardo, Councilmember – Place 3</b>		
<b>Barbara Fleming, Councilmember – Place 4</b>		
<b>Tom Heslep, Councilmember – Place 5</b>		
<b>Robert Fiester, Councilmember – Place 6</b>		
<b>Daniel Jaworski – Councilmember – Place 7</b>		

**WITH     VOTING “AYE” AND     VOTING “NAY,” THIS ORDINANCE NO. 2021-1288 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 21<sup>st</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:9/7/2021:124626)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 6**

**MEETING DATE: 09/21/2021**

**SUBJECT: Consider Resolution No. 2021-2956 Ratifying the Property Tax Revenue Increase Reflected in the 2021-22 Fiscal Year Budget**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**BACKGROUND:**

City Staff initiated the FY 2022 Budget process in May of this year with departments reviewing programs and related costs in their respective areas. The budget was developed with Council in a series of workshops: the Capital Improvement Program was presented, followed by the General Fund Budget, Special Revenue funds, and the Utility Fund. The proposed budget has been available in the Office of the City Secretary on the City's Web Site for review by residents for the required period of time. The final document presented is a joint product of Staff and Council to reflect priorities established by Council in the initial stages of this budget process. A public hearing was conducted as required by law and the City Charter at the September 14, 2021 City Council meeting.

**IDENTIFIED NEED/S:**

In accordance with Local Government Code §102.007(c), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of Council to "ratify the property tax increase reflected in the budget". Essentially, this action acknowledges that Council is aware this budget will cost more than last year's budget. As this budget does indeed raise more revenue, this is required action.

**OPTIONS & RESULTS:**

While the property **tax rate is unchanged** from last year, overall tax dollars are increased – this year collecting \$14,233,811 compared to \$13,522,104 last year. The \$711,707 increase is reflective of a 5.3 percent increase in valuation, inclusive of new valuation of \$13,355,438 added to the tax base.

**PROGRESS TO DATE: (if appropriate)**

N/A

**RECOMMENDATION:**

To approve Resolution No. 2021-2956, "ratifying the property tax increase reflected in the budget" as required by Local Government Code §102.007(c).

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2021-2956**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE 2021-2022 FISCAL YEAR BUDGET; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year; and

**WHEREAS**, the City Council has approved Ordinance No. 2021-1287 adopting the 2021-2022 fiscal year budget which will require the City to raise more revenue from property taxes than in the 2020-2021 fiscal year budget by an amount of \$711,707, which is a 5.3% increase from the 2020-2021 fiscal year budget, of which \$75,194 is tax revenue to be raised from new property added to the tax roll this year; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, desires to ratify the property tax increase reflected in Ordinance No. 2021-1287 approving the 2021-2022 Fiscal Year Budget.

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

**SECTION 1.** The property tax increase reflected in the 2021-2022 Fiscal Year Budget and approved pursuant to Ordinance No. 2021-1287 is hereby ratified.

**SECTION 2.** This Resolution shall take effect immediately from and after its passage.

**PASSED AND APPROVED THIS THE 21<sup>ST</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:9/16/2021:124822)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 7**

**MEETING DATE: 09/21/2021**

**SUBJECT: Consider 2021-2959 Ratifying the Emergency Declaration by the City Manager authorizing work to be performed by Four Star Excavating Co. for the Repair of Sanitary Sewer Infrastructure; Authorizing Additional Agreements and Change Orders**

**PREPARED BY: Scott Kriston, Public Works Director**

**BACKGROUND:**

On August 16, 2021, the City's Public Works Utilities Division responded to a call for service regarding a pavement sink hole in the Edgewood Estates Subdivision. After investigating the issue, the utility technicians found that the 18-inch sanitary sewer main located in the Public Right-of-Way was failing and collapsing. Upon further investigation, it was discovered that approx. forty (40) residential properties will be affected by the sewer line collapse. To stay in compliance with TCEQ mandates and avoid raw sewerage overflowing from the upstream manholes in the area, staff contacted several contractors that had performed similar utility work for the City in the past that we knew had the capabilities and experience to assist the City in making the needed repairs.

The public health hazard posed to the citizens of the City of Highland Village by the unexpected failure of the manhole and wastewater collections system 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 wastewater collections line and manhole 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 Edgewood Estates sanitary sewer collections system to date and authorize additional agreements and change orders relating to completion of the well repairs subject to availability of current funds.

**OPTIONS & RESULTS:**

If the City does not repair the sanitary sewer and restore flow in the sewer collections system,

a public health hazard would be imposed as well as the City would be in violation of Chapter 217 TCEQ mandates and would be subject to possible fines.

**PROGRESS TO DATE: (if appropriate)**

Staff contacted Four Star Excavating, Co. to obtain needed excavation experience and larger heavy equipment that could reach the depth of the repair point. Four Star Excavating, Co. is able to mobilize on or around September 22, 2021 to begin the sewer infrastructure repairs.

**BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

Funded through the Utility Fund.

**RECOMMENDATION:**

To approve Resolution 2021-2959.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2021-2959**

**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 FOUR STAR EXCAVATING COMPANY RELATING TO THE REPAIR OF SANITARY SEWER INFRASTRUCTURE; AUTHORIZING ADDITIONAL AGREEMENTS AND CHANGE ORDERS RELATING TO THE REPAIR OF SAID INFRASTRUCTURE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, an 18-inch sanitary sewer main in Edgewood Drive located in Edgewood Estates (“the Sewer Main”) failed on or about August 16, 2021; and

**WHEREAS**, the public health hazard posed to the citizens of the City of Highland Village by the unexpected failure of the Sewer Main 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 Sewer Main 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 Four Star Excavating Co. to excavate and repair the Manhole; and

**WHEREAS** the City Council of the City of Highland Village, Texas, finds it to be in the public interest to approve, ratify and authorize the actions of the City Manager described above and additional procurement necessary to complete the work if necessary.

**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 an agreement on behalf of the City with Four Star Excavating Company to provide the above described services relating to repair of the Sewer Main 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, 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 Sewer Main.

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

**PASSED AND APPROVED THIS THE 21<sup>ST</sup> DAY OF SEPTEMBER 2021.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:9/17/21:124861)