



## **A G E N D A**

**REGULAR MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
TUESDAY, SEPTEMBER 11, 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 Proposed Amendments to the City's Code Enforcement Regulations**
2. **Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of September 11, 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)**

**MEET AND GREET – BOARDS AND COMMISSIONS  
City Council Chambers – 6:30 P.M.**

3. **Meet and Greet with Board and Commission Applicants**

**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 Councilmember Jon Kixmiller**

7. **Pledge of Allegiance to the U.S. and Texas flags to be led by Councilmember Jon Kixmiller:** *“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 a Proclamation for Live United Month**
  - **Presentation of a Proclamation for National IT Professionals Day**
  - **Recognition of the Actors that Participated in the FY 2018-2019 Budget Video** *(to be presented with Agenda Item #18)*

## **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 28, 2018**
12. **Consider Resolution 2018-2767 Adopting the City of Highland Village Investment Policy for FY 2018-2019**
13. **Consider Resolution 2018-2768 Designating Authorized Representatives to Negotiate and Execute Contracts and Necessary Documents to Establish City Investment Accounts**
14. **Consider Resolution 2018-2769 Authorizing Renewal of the Employee Health Insurance Plan Agreements with Cigna**
15. **Consider Resolution 2018-2770 Approving a Negotiated Settlement Agreement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corporation, Mid-Tex Division regarding the 2018 Rate Review Mechanism Filings**
16. **Receive Budget Reports for Period Ending July 31, 2018**

**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)
  - (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
18. Conduct a Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2018-2019
19. Consider Ordinance 2018-1251 Adopting the Fiscal Year 2018-2019 Annual Budget (1<sup>st</sup> of two reads)
20. Consider Ordinance 2018-1252 Levying the Ad Valorem Taxes for the Year 2018 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, 2018 (1<sup>st</sup> of two reads)

**LATE WORK SESSION**

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

21. 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.)
22. 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 7<sup>TH</sup> DAY OF SEPTEMBER, 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: 09/11/18**

**SUBJECT: Receive an Update on Proposed Amendments to the City's  
Code Enforcement Regulations**

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

**COMMENTS**

City staff will present proposed amendments to the City's Code of Ordinances, Chapter 12, Offenses and Nuisances. Staff will also provide an update on code enforcement initiatives.

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

**AGENDA# 10**

**MEETING DATE: 09/11/18**

**SUBJECT: Mayor and Council Reports on Items of Community Interest**

**PREPARED BY: Angela Miller, 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 a Proclamation for Live United Month
- Presentation of a Proclamation for National IT Professionals Day
- Recognition of the Actors that Participated in the FY 2018-2018 Budget Video



# Proclamation

*Whereas*, United Way of Denton County empowers donors, volunteers, businesses, governments, nonprofits, and community groups to invest in neighbors for a better Denton County community; and

*Whereas*, United Way of Denton County lives “UNITED 4 Denton County” to help children and families succeed, to guide and serve Veterans and their families, to advocate for overall mental health, and to make homelessness rare, brief, and nonrecurring; and

*Whereas*, United Way of Denton County helps 80,000 people each year across Denton County; and

*Whereas*, United Way of Denton County seeks to increase efficiencies and eliminate redundancies to better meet people’s needs through collaborative programs to solve complex socioeconomic problems; and

*Whereas*, United Way of Denton County celebrates 65 years of improving lives across Denton County.

*Now therefore*, I, Charlotte J. Wilcox, Mayor of the City of Highland Village, do hereby proclaim September 2018 as:

*“Live United 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 11<sup>th</sup> day of September 2018.

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Charlotte J. Wilcox, Mayor



# Proclamation

*Whereas*, the power of technology is wielding a huge impact on the world; and

*Whereas*, information technology draws on a highly educated and skilled U.S. workforce of nearly two million people, a number which has continued to grow during the past decade; and

*Whereas*, cloud computing, mobility, big data, automation, and social technologies become common elements for businesses of all sizes and, as cybersecurity becomes a constant concern, the need for employees with technical expertise is growing; and

*Whereas*, as booming technology, economic, and demographic shifts continue to rapidly change our world, it is more important than ever for organizations from small businesses to government agencies to embrace effective information technology practices.

*Now therefore*, I, Charlotte J. Wilcox, Mayor of the City of Highland Village, do hereby proclaim September 18, 2018 as:

*“National IT Professionals Day”*

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 11<sup>th</sup> day of September 2018.

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Charlotte J. Wilcox, Mayor

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

**AGENDA# 11**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Approval of Minutes of the Regular City Council Meeting held on August 28, 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 28, 2018 City Council meeting.

**MEETING MNUTES OF THE REGULAR MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX  
LOCATED AT 1000 HIGHLAND VILLAGE ROAD  
TUESDAY, AUGUST 28, 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
	Mark Stewart	Assistant Chief of Police
	Brad Goudie	Fire Chief
	Jason Collier	Assistant Fire Chief
	Scott Kriston	Public Works Director
	Phil Lozano	Parks and Recreation Director
	Laurie Mullens	Director of Marketing & Communications
	Andrew Boyd	Media Specialist
	Karen Bradley	Administrative Assistant

**EARLY WORK SESSION**

**1. Receive an Update on Annual Appointments to the City's Boards and Commissions**

City Secretary Angela Miller reported on the number of positions there are on each board with terms that will expire on September 30, 2018. An update showing board preferences for current members and new applicants was also presented. On September 11<sup>th</sup>, City Council will hold a "Meet and Greet" with current board and commission members wishing to serve again, as well as with new applicants. Appointments will be made at the September 25<sup>th</sup> City Council meeting.

**2. Review and Discuss Emergency Medical Service (EMS) Fees**

City Manager stated the City periodically reviews EMS fees billed to patients requiring medical treatment/transport by City EMS apparatus. The current fees were established in 2010. Assistant City Manager Ken Heerman reported this review 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, with revenues totaling roughly \$200,000 per year.

Mr. Heerman reported EMS charges are first billed to insurance, with any 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. He stated that Council has previously expressed desire to not pursue third party collection for these balances.

Mr. Heerman stated there are various billing models used by cities, 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 the 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 service 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. Mr. Heerman stated staff does not recommend this option.
- **No Balance Bill (Residents only)** – Cities can simply stipulate by ordinance to not balance bill **residents**, with justification that this cost is included under the umbrella of City costs, which are already paid by property tax. This option would thus, not be available for non-residents, and balance billing would apply.

He provided a comparison of EMS fees charged by Highland Village to those of area cities. In FY 2017, just under \$30,000 was collected from 106 residents – primarily the remaining balance after insurance was applied (\$2,800 of that amount from patients without insurance).

In summary, Mr. Heerman presented the following suggested options:

- Leave rates as they are – below market
- Implement a No Balance Bill option
- Update rates to market level only

The consensus of Council is to update the rates to market level. Mr. Leavitt stated an item will be presented to Council in October to update the rates.

### **3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 28, 2018**

Relating to Agenda Item #12, Councilmember Fiester asked the status of the recent repairs to some of the City's water wells. Public Works Director Scott Kriston reported the pump is being fabricated for the FM 407 water well and is estimated to be back online mid-September; he is still waiting on a report regarding the Lake Vista water well. The Highland Shores water well is up temporarily until staff can get the new motor delivered and installed. He stated residents are being vigilant in their conservation efforts, which has been a great help.

Mayor Wilcox announced Council would convene into Closed Session and read Agenda Item #4(b). Early Work Session ended at 6:51 p.m.

### **CLOSED SESSION**

Council convened into Closed Session at 6:52 p.m.

**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)**

This item was not discussed.

**(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**

Council concluded Closed Session at 7:15 p.m.

**OPEN SESSION**

**5. Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:30 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
	Mark Stewart	Assistant Chief of Police
	Brad Goudie	Fire Chief
	Jason Collier	Assistant Fire Chief
	Scott Kriston	Public Works Director
	Phil Lozano	Parks and Recreation Director
	Laurie Mullens	Director of Marketing & Communications
	Andrew Boyd	Media Specialist

**6. Prayer to be led by Mayor Charlotte J. Wilcox**

Mayor Wilcox gave the invocation.

**7. Pledge of Allegiance to the U.S. and Texas flags to be led by Mayor Charlotte J. Wilcox.**

Mayor Wilcox led the Pledge of Allegiance to the U.S and Texas flags.

**8. Visitor Comments**

No one wished to speak.

**9. City Manager/Staff Reports**

City Manager Michael Leavitt reported the parks and recreation department has been using a red colored Ford Explorer previously used by the fire department, which was not representative of our parks and recreation programs. He stated the decision was made to have the car wrapped using photos taken by Guy T of *What's That Guys' Name Photography*, along with a few photos submitted by residents for the annual photo contest. The finished product is a combination of different recreation programs, parks and open spaces that more accurately represent what parks and recreation brings to the community. The vehicle wrap done by *Tiger Wraps and Graphics* in Lewisville.

- **HVTV Update**

The update informed residents of the change to Community Waste Disposal (CWD) for the City's solid waste and recycling services, including how to determine if your collection day is changing and how to request a larger recycling cart. The video also included information on the upcoming TXFallen PD Tribute Event on Saturday, October 20 and the Foodie Friday segment featuring Taco Cielo in The Marketplace at Highland Village.

**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**

Deputy Mayor Pro Tem Barbara Fleming invited everyone to attend the Evening for Education hosted by Lewisville Education Foundation on Saturday, September 8. The event benefits students and teachers of Lewisville ISD. She also encouraged residents to attend the Denim, Diamonds and Dice Gala on Saturday, September 15. This event benefits Special Abilities of North Texas.

- **Presentation of Life Saving Achievement Award**

Mayor Wilcox and Fire Chief Brad Goudie presented Life Saving Awards honoring the work done by our police and fire departments, and by visitors of Highland Village. Dispatchers Phillip Smallwood and Lisa Rutherford, visitors Joey Peterman and Cyndee Fullerton, Officer John Bradley, Firefighter/Driver Vince Jones, Firefighter/Paramedics Justin Moore, Jonathan Hughes, Trevis Jordan and Ryan Snider were all honored for their life saving efforts on June 24, 2018 that saved the life of a visitor to Highland Village.

- **Presentation of a Proclamation for National Preparedness Month**

Mayor Wilcox presented a proclamation to Chief Goudie declaring September as National Preparedness Month in Highland Village.

**CONSENT AGENDA**

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**

*Motion by Councilmember Lombardo, seconded by Deputy Mayor Pro Tem Fleming, to approve Consent Agenda Items #11 and #12. Motion carried 7-0.*

### **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**

#### **NO ACTION TAKEN**

14. **Presentation of City Manager Recommended Budget for Fiscal Year 2018-2019**  
**FY 2018-2019 BUDGET PRESENTED**

City Manager Michael Leavitt provided an overview of the recommended FY 2018-2019 Budget. He reported assessed valuations came in at an overall 5.6% increase. The proposed base General Fund Budget expenditures total \$18,373,424, which is a 4.4% increase over last year. With the combination of an increase in our tax roll along with a solid year-end projection, City staff projected a Fund Balance of 38% or \$6,744,126. Thus enabling staff to use the funds to pay cash for the purchase of a fire engine and ambulance, a major capital expenditure that was originally identified in FY 2020-2021. A Supplemental Budget totaling \$335,658 is also included in the proposed budget. A two-stage tax decrease, with the first stage implemented with the Fiscal Year 2018–2019 Budget, is also proposed. The proposed decrease would lower the tax rate from \$0.56802 to \$0.56302.

Initiatives this year include the addition of two positions. The first, an additional School Resource Officer (SRO) in the police department. Lewisville ISD (LISD) provides 50% of the funding for one SRO, which has been dividing their time between one middle school and three elementary schools. LISD adopted a new policy requiring a dedicated SRO for the middle school in order to receive the 50% funding. Our community policing model emphasizes involvement and presence in all schools, so funding for the additional SRO to focus on the elementary schools is proposed. The second position is an applicator technician in the parks and recreation department.

Over the last five years, Copperas Branch Park has been used as a staging area by a TxDOT contractor for the I-35 project and was recently returned to the City. A master plan for Copperas Branch Park, including the eastern quadrant of Highland Village over to Doubletree Ranch Park, is included in the budget in order to gather input and determine the best use and development of this area in an effort to plan for the future.

Mr. Leavitt reported, in accordance with the Texas Local Government Code and the City Charter, the recommended budget and program of services for FY 2018-2019 is available for review and comment on the City's website and a copy has also been filed with the city secretary. He thanked Mr. Heerman, each of the department heads, Mayor and Council for their hard work on the budget. The Mayor and Council stated their appreciation of the conservative leadership of the staff.

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

**PUBLIC HEARING CONDUCTED**

Assistant City Manager Ken Heerman reported 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 their July 24<sup>th</sup> meeting, City Council voted to consider a reduced tax rate, a ½ cent decrease from \$.56802 to \$.56302. Mr. Heerman stated this is the first public hearing, with the second scheduled for the September 11<sup>th</sup> Council meeting.

Mayor Wilcox opened the public hearing. With no one wishing to speak, Mayor Wilcox closed the public hearing.

**LATE WORK SESSION**

**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.)**

Mayor Pro Tem Busche asked for an update on the installation of a street light to illuminate the intersection of I-35 and Highland Village Road. Mr. Leavitt reported staff has contacted TxDOT with the request. Staff is working with CoServ to supply power to the area, which requires crossing US Army Corps of Engineer property, therefore a permit is required. CoServ is pursuing the permit on this.

He also thanked staff for including funds to install a safety light at the crossing on Highland Shores Boulevard that will help to protect people crossing the street.

Councilmember Kixmiller requested a future agenda item to review services provided by DCTA. He also commented on the quick response resulting from a *GoRequest* he submitted recently and encouraged residents to download and use the app.

Deputy Mayor Pro Tem Fleming inquired about HVBA conducting ribbon cuttings for new businesses in Highland Village. Mr. Leavitt reported the HVBA does a virtual ribbon cutting which includes a video that can be played multiple times across multiple mediums and that staff is also considering some of the smaller businesses to be included in an upcoming holiday video.

Mayor Wilcox reminded owners of golf carts, NEVs and SMVs to get the required permit, which is issued by the police department.

**17. Adjournment**

Mayor Wilcox adjourned the meeting at 8:40 p.m.

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Charlotte J. Wilcox, Mayor

**ATTEST:**

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Angela Miller, City Secretary

DRAFT

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

**AGENDA# 12**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Resolution 2018-2767 Adopting the City's Investment Policy and Making a Record of the Council Annual Review and Any Policy Changes**

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

**BACKGROUND:**

A requirement of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and the City of Highland Village, Texas, Investment Policy, Section VIII.2 Amendments, is an annual review of the investment policy. Any changes must be approved by the Investment Officer and submitted as a resolution for adoption to the City Council.

**IDENTIFIED NEED/S:**

Our consultants with Valley View Consulting, L.L.C. have compared the Public Funds Investment Act (PFIA) written policy requirements with the City's Investment Policy. The policy is in compliance with the PFIA.

**OPTIONS & RESULTS:**

There were no changes to the City's Investment Policy as previously adopted by Resolution 2017-2698.

The investment policy is provided following this briefing.

**RECOMMENDATION:**

Council to adopt Resolution 2018-2767 and record the annual review process.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2018-2767**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ADOPTING THE CITY OF HIGHLAND VILLAGE INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY OF THE CITY AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO THE INVESTMENT POLICY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the City Council of the City of Highland Village, Texas has adopted an investment policy; and,

**WHEREAS**, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and record any changes made to either the investment policies or investment strategies.

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

**SECTION 1.** The City's Investment Policy, attached as Exhibit "A", is hereby adopted and shall govern the investment policies for the City, and shall define the authority of the investment official of the City from and after the effective date of this resolution.

**SECTION 2.** The City Council of the City of Highland Village has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit "A" hereto.

**SECTION 3.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

**SECTION 4.** This resolution shall become effective immediately from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THIS THE 11<sup>th</sup> DAY OF SEPTEMBER 2018.**

**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: 9/4/18:102373)

**RESOLUTION NO. 2018-2767**  
**Exhibit "A"**

**CITY OF HIGHLAND VILLAGE, TEXAS**  
**INVESTMENT POLICY**  
**INTRODUCTION**

This Investment Policy applies to the investment activities of the City of Highland Village (the "City"). These policies and procedures serve to satisfy the statutory requirement of Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "PFIA"), to define and approve a formal investment policy. Upon City Council adoption, this Investment Policy supersedes all others.

**ARTICLE I**  
**GENERAL OBJECTIVES**

- I.1 **Purpose** It is the purpose of this Policy to invest in a manner which assures the safety of principal of invested funds by maintaining sufficient liquidity, diversifying investment instruments and maturities, creating accountability and internal controls, accurately reporting portfolio status, and to include the investment process as part of the annual audit.
- I.2 **Objectives** The primary objectives of the City's investment activities, in order of importance are:
- a. **Safety:** Investments of the City shall be selected in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk.
    1. Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
      - Limiting investments to the safest types,
      - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and
      - Diversifying the investment portfolio so that potential losses from individual issuers will be minimized.
    2. Interest rate risk is the risk that the market value of investments in the portfolio will fluctuate due to changes in general interest rates. Interest rate risk may be mitigated by:
      - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments prior to maturity, and
      - By investing funds primarily in shorter-term investments.
  - b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This shall be accomplished by projecting cash flow requirements and matching investment maturities with anticipated demands (static liquidity).
  - c. **Diversification and Maturity:** The City's investment portfolio shall be diversified to minimize the risk resulting from over concentration of assets in specific maturity, market sector or issuer categories, where appropriate. Diversification strategies shall be established and reviewed periodically by the Investment Officers.
  - d. **Internal Controls:** The Assistant City Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes

that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the annual audit, the Investment Officer shall facilitate an independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
  - Separation of transaction authority from accounting and record keeping
  - Custodial safekeeping
  - Avoidance of physical delivery securities
  - Clear delegation of authority to subordinate staff members
  - Written confirmation of transactions for investments and wire transfers
- e. **Yield:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal,
  - A security swap that improves the quality, yield, or target duration in the portfolio, and
  - Liquidity needs of the portfolio require that the security be sold.

## **ARTICLE II SCOPE & STRATEGY**

II.1 Scope This Policy applies to all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- General Fund
- Enterprise Fund
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- Other funds not specifically prohibited by law
- Component units of the City

II.2. Investment Strategy - For each of the major fund types listed in paragraph II.1, there shall be a written investment strategy, with the exception of Other Funds and Component Units for which the Operating Fund and Enterprise Fund strategy will apply. The strategy shall take into consideration the unique cash flow requirements, both inflows and outflows, of the funds. Appendix A contains each fund's investment strategy.

For funds subject to the arbitrage regulations, the City shall annually calculate an estimated arbitrage rebate amount. Positive or negative rebate estimates will be incorporated into the implemented investment strategy. Additionally, estimated positive rebate amounts shall be restricted from expenditure and a rebate liability fund established in anticipation of payment to the IRS per the arbitrage regulations.

### **ARTICLE III STANDARDS OF CARE**

- III.1 Prudence - Investments shall be made with careful judgment and care, under then prevailing circumstances, which a person of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment Officers acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual investment’s credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In accordance with Section 113.005, Texas Local Government Code, the Investment Officer is not responsible for any loss of the City’s funds through the failure or negligence of a depository. This section does not release the Investment Officer from the responsibility for a loss resulting from official misconduct or negligence, including misappropriation of funds, or from responsibility for funds until a depository is selected and funds are deposited.

- III.2. Ethics and Conflicts of Interest Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions.

Investment Officers shall disclose any personal business relationship, as defined by the PFIA, or relative within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Local Government Code, to an individual or business organization seeking to engage in an investment transaction with the City. A statement required under this section must be filed with the Texas Ethics Commission and the City Council in compliance with the PFIA.

- III.3. Delegation of Authority for Investment Program - In accordance with the PFIA, the overall responsibility for conducting investment transactions resides with the City Council. Management oversight is delegated to the City Manager and Assistant City Manager who shall develop and maintain written procedures for the operation of the investment program consistent with these policies. The Assistant City Manager, Assistant Director of Finance, and Staff Accountant shall be designated as Investment Officers.

Operational procedures shall be established by the Assistant City Manager that will include reference to safekeeping, repurchase, depository, and collateral agreements. Such procedures shall include explicit delegation of authority to persons responsible for conducting investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures as described herein. The City Manager and Assistant City Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

### **ARTICLE IV TRANSACTION PROCEDURES**

- IV.1 Authorized Financial Dealers and Institutions - The Assistant City Manager will maintain a list of financial institutions and broker/dealers approved by the City Council who are authorized to provide investment services. These may include primary broker/dealers or regional broker/dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and Texas investment regulations. No public deposit shall be made except in a qualified public depository as established by State laws.

All investment providers eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Additionally, the qualified representative of a local government investment pool or discretionary investment management firm ("business organization") seeking to transact investment business shall execute a written instrument substantially to the effect that the qualified representative has:

1. Received and thoroughly reviewed this Investment Policy, and
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority..

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

All financial institutions and broker/dealers who desire to become authorized for investment transactions must supply the Investment Officer with the following (as applicable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of registration in the State of Texas
- Completed broker/dealer questionnaire, including:
  - Related investment experience
  - Public fund investment officer references

This information shall be submitted to the Investment Officers for review. The Investment Officers will make a recommendation for changes to the list of authorized financial institutions and broker/dealers and submit the list for approval by the City Council. At least annually, the City Council shall approve the list of authorized financial institutions and broker/dealers. The most recent City Council-authorized list shall be attached to this Policy as Appendix B.

In order to create a competitive pricing environment for each investment transaction, the City shall solicit quotations from multiple financial institutions for time deposits and authorized broker/dealers for securities.

IV.2 Delivery Versus Payment All transactions, where applicable, will be executed on a delivery versus payment (DVP) basis to ensure that securities are delivered to an eligible financial institution prior to the release of funds. An independent third party custodian authorized by the City, and evidenced by safekeeping receipts, will hold securities.

IV.3 Investment Training In order to ensure the quality and capability of the City's Investment Officers, the City shall provide periodic training in investments through courses and seminars offered by professional organizations and associations. Pursuant to the PFIA, designated Investment Officers, and their designees responsible for investing City funds, shall attend within twelve months of assuming duties and receive not less than ten hours of instruction and, on a continuing basis, receive not less than eight hours of instruction in a two year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, for instruction. Said instruction shall relate to investment responsibilities described in the PFIA and this Policy. The training shall be conducted by approved independent training sources: GFOA, GFOAT, GTOT, TML, COG, UNT, or AICPA.

**ARTICLE V**  
**SUITABLE & AUTHORIZED INVESTMENTS**

V.1 Suitable & Authorized Investment Types The following instruments are considered suitable and authorized investments for the City's funds. At least quarterly, the City shall monitor issuer rating changes from independent information sources. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.

- a. Except as provided in paragraph V.2. the following are authorized investments
- Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
  - Direct obligations of this State or its agencies and instrumentalities;
  - Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
  - Obligations of states, agencies, counties cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- b. Deposits with a state or national bank, a savings bank, or a state or federal credit union that has its main office or a branch office in this State that are:
- Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
  - Secured in compliance with state and federal regulations, by obligations eligible under the Public Funds Collateral Act; or
  - Secured in compliance with state and federal regulations, by letters of credit issued by the United States or its agencies and instrumentalities.

Or are placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

- c. Fully collateralized repurchase agreements are authorized if the repurchase agreement:
- Has a defined termination date;
  - Is secured by obligations in paragraph V.1.a;
  - Requires the securities being purchased by the City to be pledged to the City, held in the City's account and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and
  - Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.

For purposes of this paragraph a repurchase agreement means a simultaneous agreement to buy, hold for a specified time and sell back at a future date obligations described by paragraph V.1.a, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

- d. No load money market mutual funds are authorized if the mutual fund:
- Is registered with and regulated by the Securities and Exchange Commission;
  - Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
  - Is categorized as a "Treasury" or "Government" money market fund;
  - Must maintain a AAAM, or equivalent rating, from at least one nationally recognized rating agency;

- Includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
  - The City's investment shall not exceed 10% of the fund's total assets.
- e. A public funds investment pool specifically authorized by City Council, meeting the requirements of the PFIA, that is categorized as a "Treasury" or "Government" investment pool, and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

V.2. Investments Not Authorized - The following investments are not authorized under paragraph V.1.a.

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years; and
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

V.3. Collateralization will be required on two types of investments: deposits and repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, in order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of market value of the investments principal and accrued interest, less any applicable federal deposit insurance.

Collateral will always be held by an independent third party custodian acceptable to the City. A clearly marked evidence of pledge (pledge receipt) must be supplied to the City and retained. The City grants the right of collateral substitution, with prior notification to and the consent of the City. The City has the option to also accept a surety bond from a qualified insurance company (rated A or its equivalent by the A.M. Best Company or similar rating agency) or a letter of credit from a federal agency or instrumentality as deposit collateralization.

Financial institutions accepting City deposits will be required to sign a "Depository Agreement" with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the depository and the City contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors or designated committee of the depository and a copy of the meeting minutes must be delivered to the City; and
- the Agreement must be part of the depository's "official record" continuously since its execution.

## **ARTICLE VI INVESTMENT PARAMETERS**

- VI.1. Diversification The City will diversify its investment portfolio by type and maturity, where appropriate, as described in the fund-type Investment Strategies.
- VI.2. Maximum Maturities The City shall not exceed anticipated cash flow requirements when selecting investment maturities. Regardless of cash flow projection, the maximum maturity per fund-type is outlined in Appendix A Investment Strategy.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds (e.g. short-term financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements) to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## **ARTICLE VII REPORTING**

- VII.1 Methods The Investment Officers will present to the City Council a signed investment report on a quarterly basis, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. This report will include a summary statement of each fund that states:

- The beginning market value for the reporting period;
- Ending market value for the period; and
- Fully accrued interest for the reporting period.

Additionally the report will:

- State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- State the maturity date of each separately invested asset;
- State the account, fund or pooled group fund of the City for which each individual investment was acquired;
- State the compliance of the investment portfolio as it relates to (1) the City's investment strategy for each fund type and (2) the PFIA; and
- Provide any additional information as required by the PFIA.

- VII.2 Performance Standards The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio. The portfolio should seek to attain a market average rate of return, over time, during various market/economic cycles. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.
- VII.3 Market Valuation The market value of the portfolio will be calculated on a quarterly basis in compliance with the reporting requirements of Paragraph VII.1. In defining market value, sources independent of the investment provider will determine valuations and consideration will be given to GASB Statement No. 31.
- VII.4 Independent Review As part of the annual audit, the City's independent auditor will review each of these quarterly investment reports.

**ARTICLE VIII**  
**ADDITIONAL CONSIDERATIONS**

- VIII.1. Exemption Any investment currently held and purchased before the date of implementation of this Policy that does not meet the guidelines of this Policy and/or the PFIA shall be exempted from the requirements of this Policy and the PFIA. It is therefore unnecessary to liquidate such investments. However, at maturity or liquidation, such funds shall be reinvested only as provided by this Policy.
- VIII.2. Amendments This Policy shall be reviewed on an annual basis by the City Council and a written instrument adopted attesting to said review. Any changes must be approved by the Investment Officers and submitted as a resolution for adoption to the City Council.

## Appendix A

### **INVESTMENT STRATEGY**

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

#### A. **Operating and Enterprise Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Operating or Enterprise Funds.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity of each fund's portfolio to less than 180 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

**Marketability** - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - Operating and Enterprise Funds require the greatest short-term liquidity of any of the fund-types. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

**Diversification** - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

**Yield** - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

#### B. **Special Revenue Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

**Safety of Principal** – All investments will be of high quality with no perceived default risk. Market fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or five years.

**Marketability** - Balancing short-term and long-term cash flow needs requires the short-term portion of the Funds portfolio to have investments with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Investments with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

**Liquidity** - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

**Diversification** - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

**Yield** - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective.

#### C. **Capital Improvement Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

**Safety of Principal** - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or five years.

**Marketability** - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month’s anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy’s risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

#### D. **Debt Service Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

**Marketability** - Investments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

**Liquidity** - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-

term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

**Yield** - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

#### E. **Debt Service Reserve Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

**Marketability** - Investments with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

**Liquidity** – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

**Diversification** - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

## Appendix B

### Primary Depository Bank, Public Funds Investment Pools and Authorized Broker/Dealers

#### Primary Depository Bank

Independent Bank

#### Public Funds Investment Pools

TexPool

TexSTAR

#### Authorized Broker/Dealers

##### FTN Financial

- Secondary Dealer
- Solid performance with comparable Texas local governments
- Access to varied investment inventories
- Houston Office

##### Multi-Bank Securities

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Chicago Office

##### Raymond James

- Secondary Dealer
- Access to varied investment inventories
- Austin Office

##### Oppenheimer

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Minneapolis Office

##### Wells Fargo Securities

- Primary Dealer
- Access to varied investment inventories
- Dallas Office

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

**AGENDA# 13**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Resolution 2018-2768 Designating Authorized Representatives to Negotiate and Execute Contracts and Other Documents Necessary to Establish City Investment Accounts**

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

**BACKGROUND:**

The City invests idle funds in accordance with the City's Investment Policy. Specific contracts and other documents are necessary to establish City investment accounts.

**IDENTIFIED NEED/S:**

The City wants to invest in financial institution deposits including certificates of deposit, negotiable order of withdrawal accounts, and money market accounts for investment purposes. The City's Investment Policy authorizes the aforementioned types of investments and financial institution relationships.

**OPTIONS & RESULTS:**

The City would like to designate multiple representatives with the ability to negotiate and execute documents to provide segregation of duties in establishing investment accounts and to provide backup opportunities if a representative is unavailable.

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

N/A

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

N/A

**RECOMMENDATION:**

To approve Resolution 2018-2768 as submitted.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2018-2768**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER, ASSISTANT CITY MANAGER, CITY SECRETARY AND THE ASSISTANT DIRECTOR OF FINANCE TO NEGOTIATE AND EXECUTE ANY AND ALL CONTRACTS AND OTHER DOCUMENTS INCIDENT TO THE ESTABLISHMENT OF INVESTMENT ACCOUNT(S) FOR THE PURPOSE OF INVESTING IN FINANCIAL INSTITUTION DEPOSITS INCLUDING CERTIFICATES OF DEPOSITS, NEGOTIATED ORDER OF WITHDRAWAL (NOW) ACCOUNTS, AND MONEY MARKET ACCOUNTS, WITH THE EXPRESS POWERS GRANTED TO ENTER INTO TREASURY MANAGEMENT SERVICES AGREEMENTS AS NECESSARY FOR ACCOUNT TRANSACTIONS, INCLUDING WIRE AND AUTOMATED CLEARING HOUSE (ACH) TRANSFERS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION WAS PASSED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE**

**WHEREAS**, the City of Highland Village, Texas, wants to invest in financial institution deposits including certificates of deposit, negotiable order of withdrawal accounts, and money market accounts for investment purposes; and

**WHEREAS**, the City of Highland Village, Texas, may contract with a depository for financial institution deposits at any legal rate under federal or state law, rule, or regulation as authorized under the Local Government Code Chapter 105.071; and

**WHEREAS**, the City of Highland Village, Texas, in accordance with the Public Funds Investment Act, annually reviews and adopts the City's Investment Policy which authorizes the aforementioned types of investments and financial institution relationships.

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

**Section 1.** The findings and provisions set out in the preamble to this resolution are hereby in all things approved and adopted.

**Section 2.** The following people whose titles are set forth below are hereby authorized to negotiate and execute any and all contracts and other documents as necessary to establish City investment account(s):

1. Title: City Manager
2. Title: Assistant City Manager
3. Title: City Secretary
4. Title: Assistant Director of Finance

**Section 3.** The City Secretary is hereby authorized to provide such certifications as may be necessary or convenient to confirm the title, identity, and signature of each person holding one of the aforesaid titles and the authority of each person with respect to the transactions authorized herein.

**Section 4.** The authorization provided herein is contingent upon the approval of the City Attorney or the City Attorney's designee of all contracts and other documents to be executed pursuant to the authority granted herein.

**Section 5.** The meeting at which this resolution was passed was conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

**Section 6.** This resolution shall be effective immediately from and after its date of passage.

**DULY RESOLVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THIS THE 11TH DAY OF SEPTEMBER 2018.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Kevin B. Laughlin, City Attorney  
(kbl:9/4/18:102376)

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

**AGENDA# 14**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Resolution 2018-2769 Authorizing the City Manager to Renew the Employee Health Insurance Plan with Cigna, Effective October 1, 2018**

**PREPARED BY: Jana Onstead, Human Resources Director**

**BACKGROUND:**

The City of Highland Village requests the City's benefits consultant, Higginbotham and Associates, to assess group health coverage options each year to better ensure the City is maintaining the best plan available in the marketplace that meets annual budget restraints. Throughout the summer, City Staff has worked with Higginbotham and Associates on reviewing options for the City's employee health benefit plan for the 2018-19 Fiscal Year.

The City's current carrier, Cigna, offered a renewal increase of 5% with no changes in plan design. Past experience with carrier bids have consistently resulted in increases of 10%+ for comparable or less attractive health plans. Representatives with Higginbotham and Associates informed staff that other clients were experiencing renewals with 10% to more than 20% increases, and advised the Cigna offer to be most favorable.

**IDENTIFIED NEED/S:**

Medical Insurance is an integral component of the employee benefit package. To stay competitive in the municipal job market, the City strives to provide a competitive salary and benefit package. It is the goal of the City to offer options that meet the needs of employees as well as remain within budgetary constraints and compliant with current legislation.

**OPTIONS & RESULTS:**

The City has maintained the current self-insured plan with Cigna for the past 5 years. The Cigna offer was determined the best option for both the City and employees, resulting in no change in plan design this year, and minimal increase in premium cost for employees. All employees continue to have the opportunity for a \$25/month premium discount if they participate in wellness activities throughout the year.

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

After careful consideration, City staff has determined the renewal offer from the current carrier was the best option for both the City budget and City employees.

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

Premium amounts are already factored into the Fiscal Year 2018/2019 budget, including the wellness discount option.

**RECOMMENDATION:**

To approve Resolution 2018-2769.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2018-2769**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO RENEW THE EMPLOYEE HEALTH INSURANCE PLAN WITH CIGNA, EFFECTIVE OCTOBER 1, 2018; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, City Administration has worked with Higginbotham and Associates to negotiate a renewal for the City Employee Medical Insurance benefit plan, resulting in a reasonable offer by Cigna of a 5% premium increase with no plan design changes; and

**WHEREAS**, City Administration recommends renewing the City's agreements with Cigna, subject to the negotiated premium increase, for the City Employee Medical Insurance benefit plan; and

**WHEREAS**, the City Council of the City of Highland Village concurs in the above recommendation and finds it to be in the public interest to renew the employee health insurance plan with Cigna.

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

**SECTION 1.** The City Manager is hereby authorized to negotiate and sign the necessary contract documents with Cigna to provide employee group medical insurance for the City Employee Medical Insurance benefit plan, and to take such additional actions reasonable and necessary to comply with the intent of this resolution.

**SECTION 2.** This Resolution shall take effect immediately upon final approval and upon passage of the City's 2018/2019 fiscal year budget.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS THIS THE 11<sup>TH</sup> DAY OF SEPTEMBER, 2018.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

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

(kbl:9/5/18:102389)

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

**AGENDA# 15**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Resolution 2018-2770 Approving the Negotiated Settlement Agreement and the Rate Increase Requested by Atmos Corp., Mid-Tex Division Under the Company's 2018 Annual Rate Review Mechanism Filing in All Cities Exercising Original Jurisdiction**

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

**BACKGROUND:**

Highland Village, along with 171 other cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"). The RRM Tariff was originally adopted by ACSC member cities in 2007 as an alternative to the Gas Reliability Infrastructure Program ("GRIP"), the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. The RRM Tariff has been modified several times, most recently earlier this year. In April 2018, Atmos Mid-Tex filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of \$42.0 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$27.4 million. Atmos offered to settle for a system-wide increase of \$25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of \$24.9 million. That increase when allocated to ACSC members results in an increase of \$17.8 million.

**IDENTIFIED NEED/S:**

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the resolution with its attachments approving the negotiated rate settlement resolving the 2018 RRM filing, and implementing the rate change. The effective date for new rates is October 1, 2018.

**PROGRESS TO DATE:**

ACSC demanded that Atmos reflect reduced federal income taxes in its cost-of-service, as reflected in the RRM Tariff that was adopted earlier this year. Atmos reduced its rates in March. The rate increase associated with this Resolution is largely offset by the lowered federal income tax rates, such that out-of-pocket expense to consumers should be roughly the same under new rates as what was experienced by consumers last winter.

Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$42 million in additional system-wide revenues, the RRM settlement at \$24.9 million reflects savings of \$17.1 million.

Representative effect on customers' bills:

	<u>Current</u>	<u>Proposed</u>	<u>Change</u>	
- Residential (@ Avg. 45 Ccf)	\$54.53	\$55.59	\$1.06	(1.94%)
- Commercial (@ Avg. 346.5 Ccf)	264.10	\$267.30	\$3.20	(1.21%)

**BUDGETARY IMPACT/ORDINANCE CHANGE:**

Resolution following.

**RECOMMENDATION:**

Council to approve Resolution 2018-2770, as submitted.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2018-2770**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL**

**WHEREAS**, the City of Highland Village, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

**WHEREAS**, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

**WHEREAS**, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

**WHEREAS**, the RRM tariff was adopted by the City in a rate ordinance earlier this year; and

**WHEREAS**, on about April 1, 2018, Atmos Mid-Tex filed its 2018 RRM rate request with ACSC Cities based on a test year ending December 31, 2017; and

**WHEREAS**, ACSC coordinated its review of the Atmos Mid-Tex 2018 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

**WHEREAS**, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$24.9 million on a system-wide basis (\$17.8 million of which is applicable to ACSC members); and

**WHEREAS**, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

**WHEREAS**, the Exhibit A rate tariffs incorporate the federal income tax rates that became effective January 1, 2018; and

**WHEREAS**, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B) and

**WHEREAS**, the settlement agreement establishes an amortization schedule for regulatory liability (Exhibit C); and

**WHEREAS**, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

**Section 1.** The findings set forth in this Resolution are hereby in all things approved.

**Section 2.** The City Council finds that the settled amount of an increase in revenues of \$24.9 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2018 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

**Section 3.** The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$24.9 million in revenue on a system-wide basis over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

**Section 4.** The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

**Section 5.** Amortization of regulatory liability shall be consistent with the schedule found in attached Exhibit C attached hereto and incorporated herein.

**Section 6.** Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2018 RRM filing.

**Section 7.** To the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

**Section 8.** The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 9.** If any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

**Section 10.** Consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2018.

**Section 11.** A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED BY THE CITY COUNCIL OF HIGHLAND VILLAGE, TEXAS this 11<sup>TH</sup> DAY OF SEPTEMBER 2018.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

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

(kbl:9/4/18:102370)

# **Exhibit A**

Rate Tariffs Effective  
October 1, 2018

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

**RRC Tariff No:**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 12</b>

**Application**

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 18.85 per month
Rider CEE Surcharge	\$ 0.03 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 18.88 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.14846 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

**RRC Tariff No:**

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 13</b>

**Application**

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 43.50 per month
Rider CEE Surcharge	\$ (0.03) per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 43.47 per month</b>
Commodity Charge – All Ccf	\$ 0.09165 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 14</b>

### Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

### Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

### Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3312 per MMBtu
Next 3,500 MMBtu	\$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0520 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

### Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

### Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 15</b>

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 16</b>

## Exhibit A

The rates were effective for the following Cities on 3/15/2018:

ABILENE	DENISON	KILLEEN
ADDISON	DENTON	KRUM
ALBANY	DESOTO	LAKE WORTH
ALLEN	DRAPER AKA CORRAL CITY	LAKESIDE
ALVARADO	DUNCANVILLE	LEWISVILLE
ANGUS	EASTLAND	LINCOLN PARK (ANNEXED WITH LITTLE ELM)
ANNA	EDGECLIFF VILLAGE	LITTLE ELM
ARGYLE	EMORY	LORENA
ARLINGTON	ENNIS	MADISONVILLE
AUBREY	EULESS	MALAKOFF
AZLE	EVERMAN	MANSFIELD
BEDFORD	FAIRVIEW	MCKINNEY
BELLMEAD	FARMERS BRANCH	MELISSA
BENBROOK	FARMERSVILLE	MESQUITE
BEVERLY HILLS	FATE	MIDLOTHIAN
BLOSSOM	FLOWER MOUND	MURPHY
BLUE RIDGE	FOREST HILL	NEWARK
BOWIE	FORNEY	NOCONA
BOYD	FORT WORTH	NORTH RICHLAND HILLS
BRIDGEPORT	FRISCO	NORTHLAKE
BROWNWOOD	FROST	OAK LEAF
BUFFALO	GAINSVILLE	OVILLA
BURKBURNETT	GARLAND	PALESTINE
BURLESON	GARRETT	PANTEGO
CADDO MILLS	GRAND PARAIRIE	PARIS
CANTON	GRAPEVINE	PARKER
CARROLLTON	GUNTER	PECAN HILL
CEDAR HILL	HALTOM CITY	PETROLIA
CELESTE	HARKER HEIGHTS	PLANO
CELINA	HASKELL	PONDER
CENTERVILLE	HASLET	POTTSBORO
CISCO	HEWITT	PROSPER
CLARKSVILLE	HIGHLAND PARK	QUITMAN
CLEBURNE	HIGHLAND VILLAGE	RED OAK
CLYDE	HONEY GROVE	RENO (PARKER COUNTY)
COLLEGE STATION	HURST	RHOME
COLLEYVILLE	IOWA PARK	RICHARDSON
COLORADO CITY	IRVING	RICHLAND
COMANCHE	JUSTIN	RICHLAND HILLS
COOLIDGE	KAUFMAN	RIVER OAKS
COPPELL	KEENE	ROANOKE
CORINTH	KELLER	ROBINSON
CRANDALL	KEMP	ROCKWALL
CROWLEY	KENNEDALE	ROSCOE
DALWORTHINGTON GARDENS	KERRVILLE	ROWLETT

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 17</b>

**Cities with Rate Effective 3/15/2018 (Continued)**

ROYSE CITY	SULPHUR SPRINGS	WATAUGA
SACHSE	SWEETWATER	WAXAHACHIE
SAGINAW	TEMPLE	WESTLAKE
SANSOM PARK	TERRELL	WESTOVER HILLS
SEAGOVILLE	THE COLONY	WHITE SETTLEMENT
SHERMAN	TROPHY CLUB	WHITESBORO
SNYDER	TYLER	WICHITA FALLS
SOUTHLAKE	UNIVERSITY PARK	WOODWAY
SPRINGTOWN	VENUS	WYLIE
STAMFORD	VERNON	
STEPHENVILLE	WACO	

The rates were effective for the following Cities on 4/01/2018:

ABBOTT	BRUCEVILLE-EDDY	DEPORT
ALBA	BRYAN	DETROIT
ALMA	BUCKHOLTS	DODD CITY
ALVORD	BUFFALO GAP	DOUBLE OAK
ANNONA	BURNET	DUBLIN
ANSON	BYERS	EARLY
ARCHER CITY	CALDWELL	ECTOR
ATHENS	CALVERT	EDOM
AURORA	CAMERON	ELECTRA
AUSTIN	CAMPBELL	EMHOUSE
AVERY	CARBON	EUSTACE
BAIRD	CASHION COMMUNITY	EVANT
BALCH SPRINGS	CEDAR PARK	FAIRFIELD
BALLINGER	CHANDLER	FERRIS
BANDERA	CHICO	FRANKLIN
BANGS	CHILDRESS	FRANKSTON
BARDWELL	CHILLICOTHE	FREDERICKSBURG
BARRY	CLIFTON	GATESVILLE
BARTLETT	COCKRELL HILL	GEORGETOWN
BARTONVILLE	COLEMAN	GLEN ROSE
BELLEVUE	COLLINSVILLE	GLENN HEIGHTS
BELLS	COMMERCE	GODLEY
BELTON	COMO	GOLDTHWAITE
BENJAMIN	COOPER	GOODLOW
BERTRAM	COPPER CANYON	GORDON
BLACKWELL	COPPERAS COVE	GOREE
BLANKET	CORSICANA	GORMAN
BLOOMING GROVE	COVINGTON	GRANBURY
BLUE MOUND	COYOTE FLATS	GRANDVIEW
BLUM	CRAWFORD	GRANGER
BOGATA	CROSS ROADS	GREENVILLE
BONHAM	CUMBY	GROESBECK
BREMOND	DAWSON	GUSTINE
BRONTE	DECATUR	HAMLIN
BROWNSBORO	DELEON	HAMILTON

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 18</b>

**Cities with Rate Effective 4/01/2018 (Continued)**

HAWLEY	MALONE	RANGER
HEARNE	MANOR	RAVENNA
HEATH	MARBLE FALLS	RENO (LAMAR COUNTY)
HEBRON	MARLIN	RETREAT
HENRIETTA	MART	RICE
HICKORY CREEK	MAYPEARL	RIESEL
HICO	MCGREGOR	RIO VISTA
HILLSBORO	MCLENDON-CHISHOLM	ROBERT LEE
HOLLAND	MEGARGEL	ROBY
HOLLIDAY	MERIDIAN	ROCHESTER
HOWE	MERKEL	ROCKDALE
HUBBARD	MEXIA	ROGERS
HUTCHINS	MIDWAY	ROSEBUD
HUTTO	MILES	ROSS
IMPACT	MILFORD	ROTAN
IREDELL	MILLSAP	ROUND ROCK
ITALY	MOBILE CITY	ROXTON
ITASCA	MOODY	RULE
JEWETT	MORAN	RUNAWAY BAY
JOSEPHINE	MORGAN	SADLER
JOSHUA	MUENSTER	SAINT JO
KERENS	MUNDAY	SAN ANGELO
KNOLLWOOD	MURCHISON	SAN SABA
KNOX CITY	NEVADA	SANCTUARY
KOSSE	NEW CHAPEL HILL	SANGER
KURTEN	NEWCASTLE	SANTA ANNA
LACY-LAKEVIEW	NOLANVILLE	SAVOY
LADONIA	NORMANGEE	SCURRY
LAKE DALLAS	NOVICE	SEYMOUR
LAKEPORT	OAK POINT	SHADY SHORES
LAMPASAS	OAKWOOD	SOMERVILLE
LANCASTER	O'BRIEN CO-OP GIN	SOUTH MOUNTAIN
LAVON	OGLESBY	SOUTHMAYD
LAWN	OLNEY	STAR HARBOR
LEANDER	PALMER	STOCKTON BEND
LEONA	PARADISE	STRAWN
LEONARD	PECAN GAP	STREETMAN
LEXINGTON	PENELOPE	SUN VALLEY
LINDSAY	PFLUGERVILLE	SUNNYVALE
LIPAN	PILOT POINT	TALTY
LITTLE RIVER ACADEMY	PLEASANT VALLEY	TAYLOR
LLANO	POINT	TEAGUE
LOMETA	POST OAK BEND	TEHUACANA
LONE OAK	POWELL	THORNDALE
LONGVIEW	POYNOR	THORNTON
LORAIN	PRINCETON	THRALL
LOTT	PUTNAM	THROCKMORTON
LUEDERS	QUANAH	TIOGA
MABANK	QUINLAN	TOCO

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 19</b>

**Cities with Rate Effective 4/01/2018 (Continued)**

TOM BEAN	VALLEY VIEW	WHITNEY
TRENT	VAN ALSTYNE	WILMER
TRENTON	WALNUT SPRINGS	WINDOM
TRINIDAD	WEINERT	WINTERS
TROY	WEST	WIXON VALLEY
TUSCOLA	WESTWORTH VILLAGE	WOLFE CITY
TYE	WHITEHOUSE	WORTHAM
VALLEY MILLS	WHITEWRIGHT	YANTIS

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 16</b>

**Application**

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3312 per MMBtu
Next 3,500 MMBtu	\$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0520 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Imbalance Fees**

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**Monthly Imbalance Fees**

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 17</b>

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**Agreement**

A transportation agreement is required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 18</b>

## Exhibit A

The rates were effective for the following Cities on 3/15/2018:

ABILENE	DENISON	KILLEEN
ADDISON	DENTON	KRUM
ALBANY	DESOTO	LAKE WORTH
ALLEN	DRAPER AKA CORRAL CITY	LAKESIDE
ALVARADO	DUNCANVILLE	LEWISVILLE
ANGUS	EASTLAND	LINCOLN PARK (ANNEXED WITH LITTLE ELM)
ANNA	EDGECLIFF VILLAGE	LITTLE ELM
ARGYLE	EMORY	LORENA
ARLINGTON	ENNIS	MADISONVILLE
AUBREY	EULESS	MALAKOFF
AZLE	EVERMAN	MANSFIELD
BEDFORD	FAIRVIEW	MCKINNEY
BELLMEAD	FARMERS BRANCH	MELISSA
BENBROOK	FARMERSVILLE	MESQUITE
BEVERLY HILLS	FATE	MIDLOTHIAN
BLOSSOM	FLOWER MOUND	MURPHY
BLUE RIDGE	FOREST HILL	NEWARK
BOWIE	FORNEY	NOCONA
BOYD	FORT WORTH	NORTH RICHLAND HILLS
BRIDGEPORT	FRISCO	NORTHLAKE
BROWNWOOD	FROST	OAK LEAF
BUFFALO	GAINSVILLE	OVILLA
BURKBURNETT	GARLAND	PALESTINE
BURLESON	GARRETT	PANTEGO
CADDO MILLS	GRAND PARAIRIE	PARIS
CANTON	GRAPEVINE	PARKER
CARROLLTON	GUNTER	PECAN HILL
CEDAR HILL	HALTOM CITY	PETROLIA
CELESTE	HARKER HEIGHTS	PLANO
CELINA	HASKELL	PONDER
CENTERVILLE	HASLET	POTTSBORO
CISCO	HEWITT	PROSPER
CLARKSVILLE	HIGHLAND PARK	QUITMAN
CLEBURNE	HIGHLAND VILLAGE	RED OAK
CLYDE	HONEY GROVE	RENO (PARKER COUNTY)
COLLEGE STATION	HURST	RHOME
COLLEYVILLE	IOWA PARK	RICHARDSON
COLORADO CITY	IRVING	RICHLAND
COMANCHE	JUSTIN	RICHLAND HILLS
COOLIDGE	KAUFMAN	RIVER OAKS
COPPELL	KEENE	ROANOKE
CORINTH	KELLER	ROBINSON
CRANDALL	KEMP	ROCKWALL
CROWLEY	KENNEDALE	ROSCOE
DALWORTHINGTON GARDENS	KERRVILLE	ROWLETT

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 19</b>

**Cities with Rate Effective 3/15/2018 (Continued)**

ROYSE CITY	SULPHUR SPRINGS	WATAUGA
SACHSE	SWEETWATER	WAXAHACHIE
SAGINAW	TEMPLE	WESTLAKE
SANSOM PARK	TERRELL	WESTOVER HILLS
SEAGOVILLE	THE COLONY	WHITE SETTLEMENT
SHERMAN	TROPHY CLUB	WHITESBORO
SNYDER	TYLER	WICHITA FALLS
SOUTHLAKE	UNIVERSITY PARK	WOODWAY
SPRINGTOWN	VENUS	WYLIE
STAMFORD	VERNON	
STEPHENVILLE	WACO	

The rates were effective for the following Cities on 4/01/2018:

ABBOTT	BRUCEVILLE-EDDY	DEPORT
ALBA	BRYAN	DETROIT
ALMA	BUCKHOLTS	DODD CITY
ALVORD	BUFFALO GAP	DOUBLE OAK
ANNONA	BURNET	DUBLIN
ANSON	BYERS	EARLY
ARCHER CITY	CALDWELL	ECTOR
ATHENS	CALVERT	EDOM
AURORA	CAMERON	ELECTRA
AUSTIN	CAMPBELL	EMHOUSE
AVERY	CARBON	EUSTACE
BAIRD	CASHION COMMUNITY	EVANT
BALCH SPRINGS	CEDAR PARK	FAIRFIELD
BALLINGER	CHANDLER	FERRIS
BANDERA	CHICO	FRANKLIN
BANGS	CHILDRESS	FRANKSTON
BARDWELL	CHILlicothe	FREDERICKSBURG
BARRY	CLIFTON	GATESVILLE
BARTLETT	COCKRELL HILL	GEORGETOWN
BARTONVILLE	COLEMAN	GLEN ROSE
BELLEVUE	COLLINSVILLE	GLENN HEIGHTS
BELLS	COMMERCE	GODLEY
BELTON	COMO	GOLDTHWAITE
BENJAMIN	COOPER	GOODLOW
BERTRAM	COPPER CANYON	GORDON
BLACKWELL	COPPERAS COVE	GOREE
BLANKET	CORSICANA	GORMAN
BLOOMING GROVE	COVINGTON	GRANBURY
BLUE MOUND	COYOTE FLATS	GRANDVIEW
BLUM	CRAWFORD	GRANGER
BOGATA	CROSS ROADS	GREENVILLE
BONHAM	CUMBY	GROESBECK
BREMOND	DAWSON	GUSTINE
BRONTE	DECATUR	HAMLIN
BROWNSBORO	DELEON	HAMILTON

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 20</b>

**Cities with Rate Effective 4/01/2018 (Continued)**

HAWLEY	MALONE	RANGER
HEARNE	MANOR	RAVENNA
HEATH	MARBLE FALLS	RENO (LAMAR COUNTY)
HEBRON	MARLIN	RETREAT
HENRIETTA	MART	RICE
HICKORY CREEK	MAYPEARL	RIESEL
HICO	MCGREGOR	RIO VISTA
HILLSBORO	MCLENDON-CHISHOLM	ROBERT LEE
HOLLAND	MEGARGEL	ROBY
HOLLIDAY	MERIDIAN	ROCHESTER
HOWE	MERKEL	ROCKDALE
HUBBARD	MEXIA	ROGERS
HUTCHINS	MIDWAY	ROSEBUD
HUTTO	MILES	ROSS
IMPACT	MILFORD	ROTAN
IREDELL	MILLSAP	ROUND ROCK
ITALY	MOBILE CITY	ROXTON
ITASCA	MOODY	RULE
JEWETT	MORAN	RUNAWAY BAY
JOSEPHINE	MORGAN	SADLER
JOSHUA	MUENSTER	SAINT JO
KERENS	MUNDAY	SAN ANGELO
KNOLLWOOD	MURCHISON	SAN SABA
KNOX CITY	NEVADA	SANCTUARY
KOSSE	NEW CHAPEL HILL	SANGER
KURTEN	NEWCASTLE	SANTA ANNA
LACY-LAKEVIEW	NOLANVILLE	SAVOY
LADONIA	NORMANGEE	SCURRY
LAKE DALLAS	NOVICE	SEYMOUR
LAKEPORT	OAK POINT	SHADY SHORES
LAMPASAS	OAKWOOD	SOMERVILLE
LANCASTER	O'BRIEN CO-OP GIN	SOUTH MOUNTAIN
LAVON	OGLESBY	SOUTHMAYD
LAWN	OLNEY	STAR HARBOR
LEANDER	PALMER	STOCKTON BEND
LEONA	PARADISE	STRAWN
LEONARD	PECAN GAP	STREETMAN
LEXINGTON	PENELOPE	SUN VALLEY
LINDSAY	PFLUGERVILLE	SUNNYVALE
LIPAN	PILOT POINT	TALTY
LITTLE RIVER ACADEMY	PLEASANT VALLEY	TAYLOR
LLANO	POINT	TEAGUE
LOMETA	POST OAK BEND	TEHUACANA
LONE OAK	POWELL	THORNDALE
LONGVIEW	POYNOR	THORNTON
LORAIN	PRINCETON	THRALL
LOTT	PUTNAM	THROCKMORTON
LUEDERS	QUANAH	TIOGA
MABANK	QUINLAN	TOCO

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

RRC Tariff No:

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 10/01/2018</b>	<b>PAGE: 21</b>

**Cities with Rate Effective 4/01/2018 (Continued)**

TOM BEAN	VALLEY VIEW	WHITNEY
TRENT	VAN ALSTYNE	WILMER
TRENTON	WALNUT SPRINGS	WINDOM
TRINIDAD	WEINERT	WINTERS
TROY	WEST	WIXON VALLEY
TUSCOLA	WESTWORTH VILLAGE	WOLFE CITY
TYE	WHITEHOUSE	WORTHAM
VALLEY MILLS	WHITEWRIGHT	YANTIS

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 11/01/2018</b>	<b>PAGE:</b>

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- $ADD$  = billing cycle actual heating degree days.
- $BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j$ th customer in  $i$ th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the  $j$ th customer in  $i$ th rate schedule.

MID-TEX DIVISION  
ATMOS ENERGY CORPORATION

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 11/01/2018</b>	<b>PAGE:</b>

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.77	0.1201	99.33	0.5737
Austin	10.38	0.1493	201.46	0.8942
Dallas	13.17	0.2062	183.71	1.0046
Waco	9.26	0.1323	124.57	0.6398
Wichita Falls	11.62	0.1278	114.97	0.5226

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

## **Exhibit B**

### **Pensions and Retiree Medical Benefits**

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL  
TEST YEAR ENDING DECEMBER 31, 2017**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2018 Willis Towers Watson Report, as adjusted	\$ 4,082,906	\$ 2,703,898	\$ 6,964,307	\$ 188,360	\$ 3,724,168	
2	Allocation to Mid-Tex	43.55%	43.55%	71.24%	100.00%	71.24%	
	Fiscal Year 2018 Actuarially Determined Benefit Costs (Ln 1 x Ln 2)						
3		\$ 1,778,092	\$ 1,177,539	\$ 4,961,241	\$ 188,360	\$ 2,653,027	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
	Fiscal Year 2018 Willis Towers Watson Benefit Costs To Approve (Excluding Removed Cost Centers) (Ln 3 x Ln 4)						
5		\$ 1,778,092	\$ 1,177,539	\$ 4,961,241	\$ 188,360	\$ 2,653,027	\$ 10,758,260
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	80.15%	80.15%	40.05%	19.03%	40.05%	
11							
12							
13	Total Pension Account Plan	\$ 1,425,108		\$ 1,987,133			\$ 3,412,241
14	Total Post-Employment Benefit Plan		\$ 943,775			\$ 1,062,621	2,006,396
15	Total Supplemental Executive Benefit Plan				\$ 35,837		35,837
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 1,425,108	\$ 943,775	\$ 1,987,133	\$ 35,837	\$ 1,062,621	\$ 5,454,474

18 Note:

19 1. Mid-Tex is proposing that the fiscal year 2018 Willis Towers Watson actuarial amounts shown on WP\_F-2.3 and WP\_F-2.3.1, be approved by the RRM Cities as the  
20 benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The Company is requesting that the benchmark amount approved by the  
21 RRM Cities for future periods include only the expense amount. The amount attributable to capital would continue to be recorded to utility plant through the overhead  
22 process as described in the CAM.

## **Exhibit C**

### Amortization of Regulatory Liability

**ATMOS ENERGY CORP., MID-TEX DIVISION  
RATE BASE ADJUSTMENTS  
TEST YEAR ENDING DECEMBER 31, 2017  
AMORTIZATION OF REGULATORY LIABILITY**

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount	Balance as of December 31, 2017
	(a)	(b)	(c)	(d)	(e)
1	2017			\$ 289,813,479	\$ 289,813,479
2	2018	\$ 289,813,479	\$ 12,075,562	277,737,918	
3	2019	277,737,918	12,075,562	265,662,356	
4	2020	265,662,356	12,075,562	253,586,795	
5	2021	253,586,795	12,075,562	241,511,233	
6	2022	241,511,233	12,075,562	229,435,671	
7	2023	229,435,671	12,075,562	217,360,110	
8	2024	217,360,110	12,075,562	205,284,548	
9	2025	205,284,548	12,075,562	193,208,986	
10	2026	193,208,986	12,075,562	181,133,425	
11	2027	181,133,425	12,075,562	169,057,863	
12	2028	169,057,863	12,075,562	156,982,301	
13	2029	156,982,301	12,075,562	144,906,740	
14	2030	144,906,740	12,075,562	132,831,178	
15	2031	132,831,178	12,075,562	120,755,616	
16	2032	120,755,616	12,075,562	108,680,055	
17	2033	108,680,055	12,075,562	96,604,493	
18	2034	96,604,493	12,075,562	84,528,932	
19	2035	84,528,932	12,075,562	72,453,370	
20	2036	72,453,370	12,075,562	60,377,808	
21	2037	60,377,808	12,075,562	48,302,247	
22	2038	48,302,247	12,075,562	36,226,685	
23	2039	36,226,685	12,075,562	24,151,123	
24	2040	24,151,123	12,075,562	12,075,562	
25	2041	12,075,562	12,075,562	(0)	

26  
27 Note:

28 1. The annual amortization of a 24 year recovery period is based on the  
29 Reverse South Georgia Method.

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

**AGENDA# 16**

**MEETING DATE: 09/11/18**

**SUBJECT: Receive Budget Reports for Period Ending July 31, 2018**

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

**BACKGROUND:**

In accordance with the City Charter, Section 6.12, paragraph D, a budget report is submitted monthly for Council Review.

The budget report submitted for July represents the tenth report in the Fiscal Year.

**IDENTIFIED NEED/S:**

N/A

**OPTIONS & RESULTS:**

N/A

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

N/A

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

N/A

**RECOMMENDATION:**

Council to receive the budget reports for the period ending July 31, 2018.

# General Fund Summary

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
--	--------------

Revenues	Original Budget	Revised Budget (Includes Budget Amendments)	Year to Date	Variance	% Received
Property Tax	\$ 10,654,488	\$ 10,654,488	\$ 10,635,614	\$ (18,874)	100%
Sales Tax	2,675,928	2,675,928	1,773,242	(902,686)	66%
Franchise Fees	1,687,405	1,687,405	1,072,841	(614,564)	64%
Licensing & Permits	498,728	498,728	386,064	(112,664)	77%
Park/Recreation Fees	236,180	236,180	276,570	40,390	117%
Public Safety Fees	40,000	40,000	28,138	(11,862)	70%
Rents	128,832	128,832	119,095	(9,737)	92%
Municipal Court	90,066	90,066	88,716	(1,350)	99%
Public Safety Charges for Svc	456,661	456,661	462,959	6,298	101%
Interest Income	56,000	156,000	138,290	(17,710)	89%
Miscellaneous	129,850	129,850	151,226	21,376	116%
<b>Total Revenues</b>	<b>\$ 16,654,138</b>	<b>\$ 16,754,138</b>	<b>\$ 15,132,755</b>	<b>\$ (1,621,383)</b>	<b>90%</b>

Other Sources					
Transfers In	\$ 534,000	\$ 534,000	\$ -	\$ (534,000)	0%
<b>Total Available Resources</b>	<b>\$ 17,188,138</b>	<b>\$ 17,288,138</b>	<b>\$ 15,132,755</b>	<b>\$ (2,155,383)</b>	

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office	\$ 1,191,357	\$ 636,357	\$ 460,033	\$ 176,324	72%
Finance (includes Mun. Court)	1,515,676	1,550,676	1,273,409	277,268	82%
Human Resources	555,270	445,270	311,095	134,174	70%
City Secretary Office	339,955	359,955	266,257	93,699	74%
Information Services	1,048,903	1,178,903	883,961	294,941	75%
Police	4,833,212	4,683,212	3,701,261	981,952	79%
Fire	3,123,257	3,188,257	2,580,740	607,516	81%
Community Services	449,477	509,477	395,724	113,753	78%
Streets/Drainage	1,446,257	1,554,257	1,034,469	519,788	67%
Maintenance	867,516	1,772,516	1,504,714	267,801	85%
Parks	1,774,086	2,019,086	1,282,992	736,093	64%
Recreation	453,095	453,095	360,714	92,380	80%
<b>Total Expenditures</b>	<b>\$ 17,598,059</b>	<b>\$ 18,351,059</b>	<b>\$ 14,055,370</b>	<b>\$ 4,295,689</b>	<b>77%</b>

Capital Summary	(Included in totals above - summary information only)				
Equipment Replacement	\$ 574,709	\$ 902,709	\$ 514,763	\$ 387,946	57%

Other Uses					
Transfers Out	\$ 16,000	\$ 16,000	\$ -	16,000	0%
<b>Total Expenditures</b>	<b>\$ 17,614,059</b>	<b>\$ 18,367,059</b>	<b>\$ 14,055,370</b>	<b>\$ 4,311,689</b>	

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	4,938,282	7,391,960	7,391,960
+ Net Increase (Decrease)	(425,921)	(1,078,921)	1,077,385
Ending Fund Balance	\$ 4,512,361	\$ 6,313,039	\$ 8,469,345

Audited FY17

Fund Balance Detail	Original Budget	Revised Budget	Year to Date
Reserve Fund Balance (15% of Total Expenditures)	\$ 2,639,709	\$ 2,752,659	\$ 2,108,305
Restricted	11,500	11,500	11,500
Unassigned	1,861,152	3,548,880	6,349,539
<b>Total Fund Balance</b>	<b>\$ 4,512,361</b>	<b>\$ 6,313,039</b>	<b>\$ 8,469,345</b>

# General Fund Expenditure Summary

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

*Percent of Budget Year Transpired*

**83.3%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 11,985,237	\$ 11,950,237	\$ 9,477,704	\$ 2,472,533	79%
Services / Supplies	5,038,113	5,498,113	4,062,902	1,435,210	74%
Capital	574,709	902,709	514,763	387,946	57%
	\$ 17,598,059	\$ 18,351,059	\$ 14,055,370	\$ 4,295,689	77%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 8,662,992	\$ 8,627,992	\$ 6,835,966	\$ 1,792,026	79%
<i>Employee Benefits</i>	3,322,245	3,322,245	2,641,739	680,507	80%
<i>Total Personnel</i>	\$ 11,985,237	\$ 11,950,237	\$ 9,477,704	\$ 2,472,533	79%

<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 1,403,078	\$ 1,433,078	\$ 976,332	\$ 456,746	68%
<i>Employee Development</i>	345,135	345,135	210,432	134,703	61%
<i>Office Supplies / Equipment</i>	1,004,935	1,924,935	1,554,279	370,656	81%
<i>Utilities</i>	381,832	381,832	246,713	135,119	65%
<i>Other</i>	1,903,133	1,413,133	1,075,146	337,987	76%
<i>Total Services / Supplies</i>	\$ 5,038,113	\$ 5,498,113	\$ 4,062,902	\$ 1,435,210	74%

<b>Capital</b>					
<i>Equipment / Vehicles</i>	\$ 574,709	\$ 902,709	\$ 514,763	\$ 387,946	57%
<i>Total Capital</i>	\$ 574,709	\$ 902,709	\$ 514,763	\$ 387,946	57%

<b>Total General Fund Expenditure Summary</b>	\$ 17,598,059	\$ 18,351,059	\$ 14,055,370	\$ 4,295,689	77%
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# General Fund Revenue

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

*Percent of Budget Year Transpired*

**83.3%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Property Tax	\$ 10,654,488	\$ 10,654,488	\$ 10,635,614	\$ (18,874)	100%
Sales Tax	2,675,928	2,675,928	1,773,242	(902,686)	66%
Franchise Fees	1,687,405	1,687,405	1,072,841	(614,564)	64%
Licensing & Permits	498,728	498,728	386,064	(112,664)	77%
Park/Recreation Fees	236,180	236,180	276,570	40,390	117%
Public Safety Fees	40,000	40,000	28,138	(11,862)	70%
Rents	128,832	128,832	119,095	(9,737)	92%
Municipal Court	90,066	90,066	88,716	(1,350)	99%
Public Safety Charges for Svc	456,661	456,661	462,959	6,298	101%
Interest Income	56,000	156,000	138,290	(17,710)	89%
Miscellaneous	129,850	129,850	151,226	21,376	116%
<b>Total Revenues</b>	<b>\$ 16,654,138</b>	<b>\$ 16,754,138</b>	<b>\$ 15,132,755</b>	<b>\$ (1,621,383)</b>	<b>90%</b>

# City Manager Office FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 397,154	\$ 417,154	\$ 342,008	\$ 75,145	82%
Services / Supplies	794,203	219,203	118,024	101,179	54%
Capital	-	-	-	-	0%
	\$ 1,191,357	\$ 636,357	\$ 460,033	\$ 176,324	72%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 313,689	\$ 333,689	\$ 271,992	\$ 61,697	82%
<i>Employee Benefits</i>	83,465	83,465	70,017	13,448	84%
<b>Total Personnel</b>	\$ 397,154	\$ 417,154	\$ 342,008	\$ 75,145	82%

Services / Supplies					
<i>Professional Services (City-wide legal - \$123,820)</i>	\$ 164,320	\$ 164,320	\$ 101,187	\$ 63,133	62%
<i>Employee Development</i>	15,385	15,385	3,631	11,754	24%
<i>Supplies / Equipment</i>	4,210	4,210	2,005	2,205	48%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Contingency - \$500,000)</i>	610,288	35,288	11,201	24,087	32%
<b>Total Services / Supplies</b>	\$ 794,203	\$ 219,203	\$ 118,024	\$ 101,179	54%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%

<b>Total City Manager</b>	\$ 1,191,357	\$ 636,357	\$ 460,033	\$ 176,324	72%
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# Finance Department FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 956,458	\$ 991,458	\$ 811,810	\$ 179,648	82%
Services / Supplies	559,219	559,219	461,599	97,620	83%
Capital	-	-	-	-	0%
	<u>\$ 1,515,676</u>	<u>\$ 1,550,676</u>	<u>\$ 1,273,409</u>	<u>\$ 277,268</u>	82%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 693,553	\$ 728,553	\$ 593,429	\$ 135,124	81%
<i>Employee Benefits</i>	262,905	262,905	218,381	44,524	83%
<b>Total Personnel</b>	<u>\$ 956,458</u>	<u>\$ 991,458</u>	<u>\$ 811,810</u>	<u>\$ 179,648</u>	82%

Services / Supplies					
<i>Professional Services</i> <i>(City-wide liability insurance - \$113,825 / DCAD - \$74,670)</i>	\$ 504,085	\$ 504,085	\$ 420,516	\$ 83,569	83%
<i>Employee Development</i>	19,683	19,683	15,890	3,793	81%
<i>Supplies / Equipment</i>	13,551	13,551	4,939	8,612	36%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Special Events)</i>	21,900	21,900	20,254	1,646	92%
<b>Total Services / Supplies</b>	<u>\$ 559,219</u>	<u>\$ 559,219</u>	<u>\$ 461,599</u>	<u>\$ 97,620</u>	83%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0%
<b>Total Finance Department</b>	<u>\$ 1,515,676</u>	<u>\$ 1,550,676</u>	<u>\$ 1,273,409</u>	<u>\$ 277,268</u>	82%

# Human Resources FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 421,277	\$ 311,277	\$ 239,468	\$ 71,809	77%
Services / Supplies	133,993	133,993	71,627	62,366	53%
Capital	-	-	-	-	0%
	\$ 555,270	\$ 445,270	\$ 311,095	\$ 134,174	70%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 328,107	\$ 218,107	\$ 173,045	\$ 45,062	79%
<i>Employee Benefits</i>	93,170	93,170	66,424	26,746	71%
<i>Total Personnel</i>	\$ 421,277	\$ 311,277	\$ 239,468	\$ 71,809	77%

Services / Supplies					
<i>Professional Services</i>	\$ 47,850	\$ 47,850	\$ 15,227	\$ 32,623	32%
<i>Employee Development</i>	69,843	69,843	48,126	21,717	69%
<i>Supplies / Equipment</i>	1,700	1,700	474	1,226	28%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	14,600	14,600	7,800	6,800	53%
<i>Total Services / Supplies</i>	\$ 133,993	\$ 133,993	\$ 71,627	\$ 62,366	53%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<i>Total Capital</i>	\$ -	\$ -	\$ -	\$ -	0%

<b>Total Human Resources</b>	\$ 555,270	\$ 445,270	\$ 311,095	\$ 134,174	70%
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# City Secretary Office FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 190,016	\$ 210,016	\$ 161,751	\$ 48,265	77%
Services / Supplies	149,939	149,939	104,506	45,433	70%
Capital	-	-	-	-	-
	\$ 339,955	\$ 359,955	\$ 266,257	\$ 93,699	74%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 148,938	\$ 168,938	\$ 123,250	\$ 45,688	73%
<i>Employee Benefits</i>	41,078	41,078	38,501	2,577	94%
<b>Total Personnel</b>	\$ 190,016	\$ 210,016	\$ 161,751	\$ 48,265	77%

Services / Supplies					
<i>Professional Services</i>	\$ 35,690	\$ 35,690	\$ 23,361	\$ 12,329	65%
<i>Employee Development</i> <small>(City Council related \$45,724)</small>	59,694	59,694	29,468	30,226	49%
<i>Supplies / Equipment</i>	15,855	15,855	10,677	5,178	67%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	38,700	38,700	41,000	(2,300)	106%
<b>Total Services / Supplies</b>	\$ 149,939	\$ 149,939	\$ 104,506	\$ 45,433	70%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%

<b>Total City Secretary Office</b>	\$ 339,955	\$ 359,955	\$ 266,257	\$ 93,699	74%
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# Information Services FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 634,555	\$ 654,555	\$ 514,267	\$ 140,288	79%
Services / Supplies	414,348	414,348	261,976	152,372	63%
Capital	-	110,000	107,718	2,282	98%
	\$ 1,048,903	\$ 1,178,903	\$ 883,961	\$ 294,941	75%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 475,054	\$ 495,054	\$ 387,657	\$ 107,398	78%
<i>Employee Benefits</i>	159,500	159,500	126,610	32,890	79%
<b>Total Personnel</b>	\$ 634,555	\$ 654,555	\$ 514,267	\$ 140,288	79%

Services / Supplies					
<i>Professional Services</i>	\$ 202,711	\$ 202,711	\$ 107,016	\$ 95,695	53%
<i>Employee Development</i>	28,805	28,805	19,533	9,273	68%
<i>Supplies / Equipment</i>	2,800	2,800	1,164	1,636	42%
<i>Utilities</i>	72,032	72,032	20,310	51,722	28%
<i>Other (Data Processing)</i>	108,000	108,000	113,954	(5,954)	106%
<b>Total Services / Supplies</b>	\$ 414,348	\$ 414,348	\$ 261,976	\$ 152,372	63%

Capital					
<i>Equipment / Vehicles</i>	-	110,000	107,718	2,282	98%
<b>Total Capital</b>	\$ -	\$ 110,000	\$ 107,718	\$ 2,282	98%

<b>Total City Secretary Office</b>	\$ 1,048,903	\$ 1,178,903	\$ 883,961	\$ 294,941	75%
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# Police Department FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 4,330,030	<b>\$ 4,180,030</b>	<b>\$ 3,309,519</b>	\$ 870,511	79%
Services / Supplies	386,182	<b>386,182</b>	<b>287,725</b>	98,457	75%
Capital	<u>117,000</u>	<u><b>117,000</b></u>	<u><b>104,016</b></u>	<u>12,984</u>	<u>89%</u>
	<b>\$ 4,833,212</b>	<b>\$ 4,683,212</b>	<b>\$ 3,701,261</b>	<b>\$ 981,952</b>	<b>79%</b>

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 3,159,739	<b>\$ 3,009,739</b>	<b>\$ 2,433,291</b>	\$ 576,448	81%
<i>Employee Benefits</i>	<u>1,170,291</u>	<u><b>1,170,291</b></u>	<u><b>876,228</b></u>	<u>294,063</u>	<u>75%</u>
<b>Total Personnel</b>	<b>\$ 4,330,030</b>	<b>\$ 4,180,030</b>	<b>\$ 3,309,519</b>	<b>\$ 870,511</b>	<b>79%</b>

Services / Supplies					
<i>Professional Services</i>	\$ 138,055	<b>\$ 138,055</b>	<b>\$ 122,362</b>	\$ 15,693	89%
<i>Employee Development</i>	45,104	<b>45,104</b>	<b>26,485</b>	18,619	59%
<i>Supplies / Equipment</i>	137,895	<b>137,895</b>	<b>88,051</b>	49,844	64%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Animal Care - \$52,028)</i>	<u>65,128</u>	<u><b>65,128</b></u>	<u><b>50,826</b></u>	<u>\$ 14,302</u>	<u>78%</u>
<b>Total Services / Supplies</b>	<b>\$ 386,182</b>	<b>\$ 386,182</b>	<b>\$ 287,725</b>	<b>\$ 98,457</b>	<b>75%</b>

Capital					
<i>Equipment / Vehicles</i>	117,000	<b>117,000</b>	<b>104,016</b>	12,984	89%
<b>Total Capital</b>	<b>\$ 117,000</b>	<b>\$ 117,000</b>	<b>\$ 104,016</b>	<b>\$ 12,984</b>	<b>89%</b>

<b>Total Police Department</b>	<b>\$ 4,833,212</b>	<b>\$ 4,683,212</b>	<b>\$ 3,701,261</b>	<b>\$ 981,952</b>	<b>79%</b>
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# Fire Department FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 2,360,077	\$ 2,410,077	\$ 1,925,144	\$ 484,933	80%
Services / Supplies	602,080	617,080	526,108	90,972	85%
Capital	<u>161,100</u>	<u>161,100</u>	<u>129,489</u>	<u>31,611</u>	<u>80%</u>
	<b>\$ 3,123,257</b>	<b>\$ 3,188,257</b>	<b>\$ 2,580,740</b>	<b>\$ 607,516</b>	<b>81%</b>

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 1,658,491	\$ 1,708,491	\$ 1,361,681	\$ 346,811	80%
<i>Employee Benefits</i>	<u>701,585</u>	<u>701,585</u>	<u>563,463</u>	138,122	80%
<i>Total Personnel</i>	<b>\$ 2,360,077</b>	<b>\$ 2,410,077</b>	<b>\$ 1,925,144</b>	<b>\$ 484,933</b>	<b>80%</b>

Services / Supplies					
<i>Professional Services</i>	\$ 64,500	\$ 64,500	\$ 54,617	\$ 9,883	85%
<i>Employee Development</i> <i>(Training - \$47,705)</i>	63,305	63,305	41,680	21,625	66%
<i>Supplies / Equipment</i>	152,625	167,625	113,407	54,218	68%
<i>Utilities</i>	1,800	1,800	1,220	580	68%
<i>Other (\$264,000 Cap Lease Pmt)</i>	<u>319,850</u>	<u>319,850</u>	<u>315,183</u>	<u>4,667</u>	<u>99%</u>
<i>Total Services / Supplies</i>	<b>\$ 602,080</b>	<b>\$ 617,080</b>	<b>\$ 526,108</b>	<b>\$ 90,972</b>	<b>85%</b>

Capital					
<i>Equipment / Vehicles</i>	161,100	161,100	129,489	31,611	80%
<i>Total Capital</i>	<b>\$ 161,100</b>	<b>\$ 161,100</b>	<b>\$ 129,489</b>	<b>\$ 31,611</b>	<b>80%</b>

<i>Total Fire Department</i>	<b>\$ 3,123,257</b>	<b>\$ 3,188,257</b>	<b>\$ 2,580,740</b>	<b>\$ 607,516</b>	<b>81%</b>
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# Community Services FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 426,819	\$ 481,819	\$ 385,966	\$ 95,853	80%
Services / Supplies	22,658	27,658	9,758	17,900	35%
Capital	-	-	-	-	0%
	\$ 449,477	\$ 509,477	\$ 395,724	\$ 113,753	78%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 299,040	\$ 354,040	\$ 270,017	\$ 84,023	76%
<i>Employee Benefits</i>	127,779	127,779	115,949	11,830	91%
<i>Total Personnel</i>	\$ 426,819	\$ 481,819	\$ 385,966	\$ 95,853	80%

Services / Supplies					
<i>Professional Services</i>	\$ 9,200	\$ 9,200	\$ 3,447	5,754	37%
<i>Employee Development</i>	5,805	5,805	3,351	2,454	58%
<i>Supplies / Equipment</i>	7,653	12,653	2,961	9,692	23%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	-	-	-	-	0%
<i>Total Services / Supplies</i>	\$ 22,658	\$ 27,658	\$ 9,758	\$ 17,900	35%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<i>Total Capital</i>	\$ -	\$ -	\$ -	\$ -	0%

<i>Total Building Operations</i>	\$ 449,477	\$ 509,477	\$ 395,724	\$ 113,753	78%
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# Streets Division FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 663,380	\$ <b>683,380</b>	\$ <b>540,467</b>	\$ 142,913	79%
Services / Supplies	705,877	<b>790,877</b>	<b>444,669</b>	346,208	56%
Capital	<u>77,000</u>	<u><b>80,000</b></u>	<u><b>49,333</b></u>	<u>30,667</u>	<u>62%</u>
	<b>\$ 1,446,257</b>	<b>\$ 1,554,257</b>	<b>\$ 1,034,469</b>	\$ 519,788	67%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 457,290	\$ <b>477,290</b>	\$ <b>374,607</b>	\$ 102,683	78%
<i>Employee Benefits</i>	<u>206,090</u>	<u><b>206,090</b></u>	<u><b>165,860</b></u>	<u>40,230</u>	<u>80%</u>
<b>Total Personnel</b>	<b>\$ 663,380</b>	<b>\$ 683,380</b>	<b>\$ 540,467</b>	\$ 142,913	79%

Services / Supplies					
<i>Professional Services</i>	\$ 67,521	\$ <b>67,521</b>	\$ <b>30,007</b>	\$ 37,514	44%
<i>Employee Development</i>	10,256	<b>10,256</b>	<b>5,332</b>	4,924	52%
<i>Supplies / Equipment</i>	47,550	<b>47,550</b>	<b>23,236</b>	24,314	49%
<i>Utilities</i>	90,000	<b>90,000</b>	<b>71,580</b>	18,420	80%
<i>Other (Street Maintenance)</i>	<u>490,550</u>	<u><b>575,550</b></u>	<u><b>314,515</b></u>	<u>261,035</u>	<u>55%</u>
<b>Total Services / Supplies</b>	<b>\$ 705,877</b>	<b>\$ 790,877</b>	<b>\$ 444,669</b>	\$ 346,208	56%

Capital					
<i>Equipment / Vehicles</i>	77,000	<b>80,000</b>	<b>49,333</b>	30,667	62%
<b>Total Capital</b>	<b>\$ 77,000</b>	<b>\$ 80,000</b>	<b>\$ 49,333</b>	\$ 30,667	62%

<b>Total Streets</b>	<b>\$ 1,446,257</b>	<b>\$ 1,554,257</b>	<b>\$ 1,034,469</b>	\$ 519,788	67%
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# Maintenance Division FY 2017/2018 Budget

**YEAR TO DATE JULY**

Percent of Budget Year Transpired

83.3%

## - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 327,979	\$ 332,979	\$ 264,536	\$ 68,443	79%
Services / Supplies	539,537	1,439,537	1,240,178	199,359	86%
Capital	-	-	-	-	0%
	\$ 867,516	\$ 1,772,516	\$ 1,504,714	\$ 267,801	85%

## - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 231,054	\$ 236,054	\$ 185,520	\$ 50,534	79%
<i>Employee Benefits</i>	96,925	96,925	79,016	17,909	82%
<i>Total Personnel</i>	\$ 327,979	\$ 332,979	\$ 264,536	\$ 68,443	79%
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 61,530	\$ 61,530	\$ 38,114	\$ 23,416	62%
<i>Employee Development</i>	3,255	3,255	2,107	1,148	65%
<i>Supplies / Equipment (Fuel &amp; Oils - \$132,917, Repair Parts / Contract Repairs - \$253,000, Roof Replacement Hail Damage - \$815,000)</i>	389,652	1,289,652	1,144,097	145,555	89%
<i>Utilities</i>	85,000	85,000	55,860	29,140	66%
<i>Other</i>	100	100	-	\$ 100	0%
<i>Total Services / Supplies</i>	\$ 539,537	\$ 1,439,537	\$ 1,240,178	\$ 199,359	86%
<b>Capital</b>					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<i>Total Capital</i>	\$ -	\$ -	\$ -	\$ -	0%
<b>Total Maintenance</b>	\$ 867,516	\$ 1,772,516	\$ 1,504,714	\$ 267,801	85%

# Parks Division FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,067,478	<b>\$ 1,067,478</b>	<b>\$ 827,158</b>	\$ 240,319	77%
Services / Supplies	486,999	<b>516,999</b>	<b>331,628</b>	185,371	64%
Capital	219,609	<b>434,609</b>	<b>124,206</b>	310,403	29%
	<b>\$ 1,774,086</b>	<b>\$ 2,019,086</b>	<b>\$ 1,282,992</b>	\$ 736,093	64%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 743,483	<b>\$ 743,483</b>	<b>\$ 537,728</b>	\$ 205,755	72%
<i>Employee Benefits</i>	323,995	<b>323,995</b>	<b>289,430</b>	34,565	89%
<b>Total Personnel</b>	<b>\$ 1,067,478</b>	<b>\$ 1,067,478</b>	<b>\$ 827,158</b>	\$ 240,319	77%

Services / Supplies					
<i>Professional Services</i>	\$ 107,616	<b>\$ 137,616</b>	<b>\$ 60,714</b>	\$ 76,902	44%
<i>Employee Development</i>	15,445	<b>15,445</b>	<b>9,591</b>	5,854	62%
<i>Supplies / Equipment</i>	229,938	<b>229,938</b>	<b>162,370</b>	67,568	71%
<i>Utilities</i>	133,000	<b>133,000</b>	<b>97,743</b>	35,257	73%
<i>Other</i>	1,000	<b>1,000</b>	<b>1,210</b>	(210)	121%
<b>Total Services / Supplies</b>	<b>\$ 486,999</b>	<b>\$ 516,999</b>	<b>\$ 331,628</b>	\$ 185,371	64%

Capital					
<i>Equipment / Vehicles</i>	219,609	<b>434,609</b>	<b>124,206</b>	310,403	29%
<b>Total Capital</b>	219,609	<b>434,609</b>	<b>124,206</b>	310,403	29%

<b>Total Parks</b>	<b>\$ 1,774,086</b>	<b>\$ 2,019,086</b>	<b>\$ 1,282,992</b>	\$ 736,093	64%
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# Recreation Division FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 210,017	\$ 210,017	\$ 155,610	\$ 54,406	74%
Services / Supplies	243,078	243,078	205,104	37,974	84%
Capital	-	-	-	-	0%
	\$ 453,095	\$ 453,095	\$ 360,714	\$ 92,380	80%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 154,554	\$ 154,554	\$ 123,749	\$ 30,805	80%
<i>Employee Benefits</i>	55,463	55,463	31,861	23,601	57%
<b>Total Personnel</b>	\$ 210,017	\$ 210,017	\$ 155,610	\$ 54,406	74%

Services / Supplies					
<i>Professional Services</i>	\$ -	\$ -	\$ (237)	\$ 237	0%
<i>Employee Development</i>	8,555	8,555	5,238	3,317	61%
<i>Supplies / Equipment</i>	1,506	1,506	899	607	60%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Recreation Programs )</i>	233,017	233,017	199,203	33,814	85%
<b>Total Services / Supplies</b>	\$ 243,078	\$ 243,078	\$ 205,104	\$ 37,974	84%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%

<b>Total Recreation</b>	\$ 453,095	\$ 453,095	\$ 360,714	\$ 92,380	80%
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# Equipment Replacement / Capital Schedule FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office Capital Outlay	-	-	-	-	0%
Finance Capital Outlay	-	-	-	-	0%
Human Resources Capital Outlay	-	-	-	-	0%
City Secretary Capital Outlay	-	-	-	-	0%
Information Services Capital Outlay	-	110,000	107,718	2,282	98%
Police Dept Capital Outlay	117,000	117,000	104,016	12,984	89%
Fire Dept Capital Outlay	161,100	161,100	129,489	31,611	80%
Community Services Capital Outlay	-	-	-	-	0%
Streets Dept Capital Outlay	77,000	80,000	49,333	30,667	62%
Maintenance Capital Outlay	-	-	-	-	0%
City Parks Capital Outlay	219,609	434,609	124,206	310,403	29%
City Recreation Capital Outlay	-	-	-	-	0%
<b>Total Expenditures</b>	\$ 574,709	\$ 902,709	\$ 514,763	\$ 387,946	57%

# Utility Fund Revenues

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Fees	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Electronic Payment</i>	\$ (100,000)	\$ (100,000)	\$ (138,385)	\$ 38,385	138%
<i>Charges / Penalties</i>	82,250	82,250	74,664	7,586	91%
<b>Total Fees</b>	<b>\$ (17,750)</b>	<b>\$ (17,750)</b>	<b>\$ (63,721)</b>	<b>\$ 45,971</b>	<b>359%</b>

### Licenses & Permits

<i>Construction Inspection</i>	\$ 10,000	\$ 10,000	\$ 15,325	\$ (5,325)	153%
<b>Total Licenses &amp; Permits</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 15,325</b>	<b>\$ (5,325)</b>	<b>153%</b>

### Charges for Services

<i>Water Sales</i>	\$ 5,569,975	\$ 5,569,975	\$ 4,165,179	\$ 1,404,796	75%
<i>Sewer Sales</i>	4,397,099	4,397,099	3,479,456	917,643	79%
<i>Inspection Fees</i>	3,000	3,000	1,670	1,330	56%
<b>Total Charges for Service</b>	<b>\$ 9,970,074</b>	<b>\$ 9,970,074</b>	<b>\$ 7,646,305</b>	<b>\$ 2,323,769</b>	<b>77%</b>

### Interest

<i>Interest (Operations)</i>	\$ 18,500	\$ 18,500	\$ 27,042	\$ (8,542)	146%
<i>Interest (Capital Projects)</i>	20,000	20,000	35,255	(15,255)	176%
<b>Total Interest</b>	<b>\$ 38,500</b>	<b>\$ 38,500</b>	<b>\$ 62,297</b>	<b>\$ (23,797)</b>	<b>162%</b>

### Impact Fees

<i>Impact Fees</i>	\$ 265,000	\$ 265,000	\$ 89,575	\$ 175,425	34%
<b>Total Impact Fees</b>	<b>\$ 265,000</b>	<b>\$ 265,000</b>	<b>\$ 89,575</b>	<b>\$ 175,425</b>	<b>34%</b>

### Miscellaneous Income

<i>Miscellaneous Income</i>	\$ 5,000	\$ 5,000	\$ 1,468	\$ 3,532	29%
<b>Total Miscellaneous Income</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 1,468</b>	<b>\$ 3,532</b>	<b>29%</b>

<b>Total Utility Fund Revenues</b>	<b>\$ 10,270,824</b>	<b>\$ 10,270,824</b>	<b>\$ 7,751,248</b>	<b>\$ 2,519,576</b>	<b>75%</b>
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# Utility Division FY 2017/2018 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%
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--- Summary - Operations ---					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,643,929	\$ 1,698,929	\$ 1,344,786	\$ 354,143	79%
Services / Supplies	5,904,815	5,904,815	4,695,402	1,209,412	80%
Capital	285,000	285,000	201,169	83,831	71%
<b>Total Utility Division</b>	<b>\$ 7,833,744</b>	<b>\$ 7,888,744</b>	<b>\$ 6,241,357</b>	<b>\$ 1,647,387</b>	<b>79%</b>

--- Detail - Operations ---					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used

Personnel					
<i>Salaries / Wages</i>	\$ 1,116,887	\$ 1,131,887	\$ 899,613	\$ 232,274	79%
<i>Employee Benefits</i>	527,042	567,042	445,173	121,869	79%
<b>Total Personnel</b>	<b>\$ 1,643,929</b>	<b>\$ 1,698,929</b>	<b>\$ 1,344,786</b>	<b>\$ 354,143</b>	<b>79%</b>

Services / Supplies					
<i>Professional Services</i>	\$ 208,579	\$ 208,579	\$ 176,993	\$ 31,587	85%
<i>Employee Development</i>	58,216	58,216	32,180	26,036	55%
<i>Supplies / Equipment</i>	71,859	71,859	42,366	29,493	59%
<i>Utilities</i>	404,380	404,380	277,248	127,132	69%
<i>Other (Well Lot Maintenance)</i>	773,650	773,650	603,182	170,468	78%
<b>Sub-Total - Operations Services / Supplies</b>	<b>\$ 1,516,685</b>	<b>\$ 1,516,685</b>	<b>\$ 1,131,968</b>	<b>\$ 384,716</b>	<b>75%</b>

Wholesale Water / Wastewater					
Note: UTRWD billing reflects a one month delay					
<i>UTRWD - Administration Fees</i>	\$ 4,955	\$ 4,955	\$ 4,954	\$ 1	100%
<i>UTRWD - Water Volume Cost</i>	989,010	989,010	766,924	222,086	78%
<i>UTRWD - Water Demand Charges</i>	1,284,600	1,284,600	1,070,500	214,100	83%
<i>UTRWD - Sewer Effluent Volume Rate</i>	548,725	548,725	421,269	127,456	77%
<i>UTRWD - Capital Charge Joint Facilities</i>	1,334,510	1,334,510	1,112,092	222,418	83%
<i>UTRWD - HV Sewer Line to UTRWD</i>	226,330	226,330	187,696	38,634	83%
<i>UTRWD - Wtr Transmission - Opus Develop</i>	-	-	-	-	0%
<b>Sub-Total - Wholesale Water / Wastewater</b>	<b>\$ 4,388,130</b>	<b>\$ 4,388,130</b>	<b>\$ 3,563,434</b>	<b>\$ 824,696</b>	<b>81%</b>

<b>Total Services / Supplies</b>	<b>\$ 5,904,815</b>	<b>\$ 5,904,815</b>	<b>\$ 4,695,402</b>	<b>\$ 1,209,412</b>	<b>80%</b>
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Capital					
<i>Equipment / Vehicles</i>	285,000	285,000	201,169	83,831	71%
<b>Total Capital</b>	<b>\$ 285,000</b>	<b>\$ 285,000</b>	<b>\$ 201,169</b>	<b>\$ 83,831</b>	<b>71%</b>

<b>Total Utility Division - Operations</b>	<b>\$ 7,833,744</b>	<b>\$ 7,888,744</b>	<b>\$ 6,241,357</b>	<b>\$ 1,647,387</b>	<b>79%</b>
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# Utility Fund Working Capital FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Water Sales</i>	\$ 5,569,975	\$ 5,569,975	\$ 4,165,179	\$ 1,404,796	75%
<i>Sewer Sales</i>	4,397,099	4,397,099	3,479,456	917,643	79%
<i>Other Fees / Charges</i>	100,250	100,250	93,127	7,123	93%
<i>Electronic Payment Credit</i>	(100,000)	(100,000)	(138,385)	38,385	138%
<i>Interest</i>	18,500	18,500	27,042	(8,542)	146%
<b>Total Revenues</b>	<b>\$ 9,985,824</b>	<b>\$ 9,985,824</b>	<b>\$ 7,626,419</b>	<b>\$ 2,359,405</b>	<b>76%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Administration</i>	\$346,132	\$346,132	\$ 288,130	\$ 58,003	83%
<i>Operations</i>	2,814,481	2,814,481	2,188,624	625,857	78%
<i>UTRWD</i>	4,388,130	4,388,130	3,563,434	824,696	81%
<i>Debt Service</i>	1,076,878	1,076,878	978,597	98,281	91%
<i>Capital Projects</i>	-	-	-	-	0%
<i>Equipment Replace / Capital</i>	285,000	285,000	201,169	83,831	71%
<b>Total Expenditures</b>	<b>\$ 8,910,622</b>	<b>\$ 8,910,622</b>	<b>\$ 7,219,954</b>	<b>\$ 1,690,667</b>	<b>81%</b>

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Transfers In (Applied Impact Fees)</i>	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	100%
<i>Operating Transfers Out / Utility Capital Projects</i>	(300,000)	(300,000)	-	(300,000)	0%
<i>Operating Transfers Out / General Fund</i>	(470,000)	(470,000)	-	(470,000)	0%
<b>Total Other Sources (Uses)</b>	<b>\$ (620,000)</b>	<b>\$ (620,000)</b>	<b>\$ 150,000</b>	<b>\$ (770,000)</b>	<b>-24%</b>

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Net Increase/Decrease</i>	455,202	455,202	556,465
<b>Beginning Working Capital</b>			
<i>Operations</i>	1,580,413	1,580,413	1,580,413
<i>Available Impact Fees</i>	853,398	853,398	853,398
<b>Total Available Working Capital</b>	<b>\$ 2,433,811</b>	<b>\$ 2,433,811</b>	<b>\$ 2,433,811</b>
<b>Ending Working Capital</b>			
<i>Operations</i>	2,035,615	2,035,615	2,136,878
<i>Designated Capital Project</i>	-	-	-
<i>Available Impact Fees</i>	968,398	968,398	792,973
<b>Total Available Working Capital</b>	<b>\$ 3,004,013</b>	<b>\$ 3,004,013</b>	<b>\$ 2,929,851</b>

<i>Impact Fees</i>			
<i>Beginning Balance</i>	853,398	853,398	853,398
<i>+ Collections</i>	265,000	265,000	89,575
<i>- Applied to offset Debt Service</i>	(150,000)	(150,000)	(150,000)
<i>Ending Balance</i>	968,398	968,398	792,973

\*The working Capital Analysis is prepared to provide a picture of the "cash position" of this enterprise fund. Income restricted for specific use and non-operating expenses are excluded. Impact fees are excluded from revenues, however included for working capital balances - as they are available to address contingency expenditures.

# Corps Leased Parks Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Park Entry Fees</i>	\$ 355,650	\$ 355,650	\$ 316,059	\$ 39,592	89%
<i>Annual Park Passes</i>	25,000	25,000	27,314	(2,314)	109%
<i>Concession Sales</i>	-	-	-	-	0%
<i>Interest</i>	800	800	213	587	27%
<i>I-35 Mitigation</i>	50,000	50,000	-	50,000	0%
<b>Total Revenues</b>	<b>\$ 431,450</b>	<b>\$ 431,450</b>	<b>\$ 343,586</b>	<b>\$ 87,864</b>	<b>80%</b>

I-35 Mitigation Revenue is recognized as it is used and / or to replace lost revenue.  
Initial total - \$641,834 (Est balance as of 9/30/2017 \$116,665)

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 204,197	\$ 189,197	\$ 142,407	\$ 46,790	75%
<i>Services / Supplies</i>	129,171	244,171	140,534	103,636	58%
<i>Capital</i>	280,300	362,300	215,254	147,046	59%
<b>Total Expenditures</b>	<b>\$ 613,667</b>	<b>\$ 795,667</b>	<b>\$ 498,195</b>	<b>\$ 297,472</b>	<b>63%</b>

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In / General Fund</i>	-	-	-	-	0%
<b>Total Other Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 212,152	\$ 500,407	\$ 500,407
<i>+ Net Increase (Decrease)</i>	(182,217)	(364,217)	(154,610)
<b>Ending Fund Balance</b>	<b>\$ 29,935</b>	<b>\$ 136,190</b>	<b>\$ 345,797</b>

Audited FY17

# Debt Service Fund

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Revenues</i>	\$1,525,882	\$ 1,525,882	\$ 1,517,545	\$ 8,337	99%
<i>Interest Income</i>	1,400	1,400	4,537	(3,137)	324%
<b>Total Revenues</b>	<b>\$ 1,527,282</b>	<b>\$ 1,527,282</b>	<b>\$ 1,522,082</b>	<b>\$ 5,200</b>	<b>100%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Principal Payments</i>	\$ 1,865,000	\$ 1,865,000	\$ 1,865,000	\$ -	100%
<i>Interest Payments</i>	521,568	521,568	272,173	249,395	52%
<i>Paying Agent Fees</i>	4,000	4,000	1,881	2,119	47%
<b>Total Expenditures</b>	<b>\$ 2,390,568</b>	<b>\$ 2,390,568</b>	<b>\$ 2,139,054</b>	<b>\$ 251,514</b>	<b>89%</b>

Other Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Transfers In (Out) [To 4B]</i>	870,685	870,685	753,926	\$ 116,759	87%
<i>Proceeds from Refunding Debt</i>	-	-	-	-	0%
<i>Debt Issuance Cost</i>	-	-	-	-	0%
<i>Payment to Escrow Agent</i>	-	-	-	-	0%
<b>Total Financing Sources</b>	<b>\$ 870,685</b>	<b>\$ 870,685</b>	<b>\$ 753,926</b>	<b>\$ 116,759</b>	<b>87%</b>

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 149,942	\$ 161,180	\$ 161,180
<i>+ Net Increase (Decrease)</i>	7,399	7,399	136,953
<b>Ending Fund Balance</b>	<b>\$ 157,341</b>	<b>\$ 168,579</b>	<b>\$ 298,133</b>

**Audited FY17**

# Capital Projects Fund

## FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	\$ -	\$ -	\$ -	\$ -	0%
Contributions	-	-	-	-	0%
Interest Income	25,000	72,000	61,567	10,433	86%
<b>Total Revenues</b>	<b>\$ 25,000</b>	<b>\$ 72,000</b>	<b>\$ 61,567</b>	<b>\$ 10,433</b>	<b>86%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>2018 Bond Issue</b> (Parks / Streets)	6,982,931	6,982,931	88,524	6,894,407	1%
2018 Bond Issue (Streets)		2,800,000	41,193	2,758,807	1%
2018 Bond Issue (Parks)		4,182,931	47,332	4,135,599	1%
<b>Total Expenditures</b>	<b>\$ 6,982,931</b>	<b>\$ 6,982,931</b>	<b>\$ 88,524</b>	<b>\$ 6,894,407</b>	<b>1%</b>

Other Financing Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
Bond Issue Proceeds	\$ 6,982,931	\$ 1,012,931	\$ 6,905,000	\$ (5,892,069.00)	682%
Bond Discount / Premium	-	-	173,588	(173,588)	0%
Debt Issuance	-	-	(70,907)	70,907	0%
Transfers In	-	-	-	-	0%
Transfer Out	-	-	-	-	0%
<b>Total Financing Sources</b>	<b>\$ 6,982,931</b>	<b>\$ 1,012,931</b>	<b>\$ 7,007,681</b>	<b>\$ (5,994,750)</b>	<b>692%</b>

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning fund balance</i>	\$ -	\$ 45,662	\$ 45,662
<i>+Net Increase (Decrease)</i>	25,000	(5,898,000)	6,980,723
<b>Ending Fund Balance</b>	<b>\$ 25,000</b>	<b>\$ (5,852,338)</b>	<b>\$ 7,026,385</b>

Audited FY17

# Drainage Utilities FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Drainage Conversion Fee</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Drainage Fee Receipts</i>	490,000	<b>490,000</b>	<b>402,172</b>	87,828	82%
<i>Miscellaneous</i>	-	-	-	-	0%
<i>Interest</i>	75	75	<b>2,953</b>	(2,878)	3938%
<b>Total Revenues</b>	<b>\$ 490,075</b>	<b>\$ 490,075</b>	<b>\$ 405,125</b>	<b>\$ 84,950</b>	<b>83%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 359,292	<b>\$ 364,292</b>	<b>\$ 292,404</b>	\$ 71,888	80%
<i>Services / Supplies</i>	154,470	<b>154,470</b>	<b>68,426</b>	86,044	44%
<i>Capital</i>	24,700	<b>24,700</b>	<b>24,695</b>	5	100%
<b>Total Expenditures</b>	<b>\$ 538,462</b>	<b>\$ 543,462</b>	<b>\$ 385,525</b>	<b>\$ 157,937</b>	<b>71%</b>

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Transfers In - City Impervious / General Fund</i>	\$ 16,000	<b>\$ 16,000</b>	\$ -	\$ 16,000	0%
<i>Operating TransfersOut / General Fund</i>	(16,000)	<b>(16,000)</b>	-	(16,000)	0%
<b>Total Other Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 257,624	<b>\$ 298,327</b>	<b>\$ 298,327</b>
<i>+ Net Increase (Decrease)</i>	(48,387)	<b>(53,387)</b>	<b>19,600</b>
<b>Ending Fund Balance</b>	<b>\$ 209,238</b>	<b>\$ 244,941</b>	<b>\$ 317,927</b>

**Audited FY17**

# Park Development Fee Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Interest</i>	\$ -	\$ -	\$ 124	\$ (124)	0%
<i>Community Park Fees</i>	-	68,684	68,400	284	100%
<i>Linear Park Fees</i>	-	-	-	-	0%
<i>Neighborhood Park Fees</i>	-	-	-	-	0%
<i>Service Area II</i>	-	-	-	-	0%
<i>Service Area IV</i>	-	-	-	-	0%
<b>Total Revenues</b>	\$ -	\$ 68,684	\$ 68,524	\$ 160	0%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Unity Park</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Capital Outlay (Unity Park)</i>	-	-	-	-	0%
<i>Capital Outlay (Village Park)</i>	-	-	-	-	0%
<i>Capital Outlay - (St James development, Area I)</i>	-	-	-	-	0%
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ -	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Operating Transfers Out (Funding for projects at Unity Park with FY2012 bond)</i>	-	-	-	-	0%
<b>Total Other Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ -	\$ -	\$ -
<i>+ Net Increase (Decrease)</i>	-	68,684	68,524
<b>Ending Fund Balance</b>	\$ -	\$ 68,684	\$ 68,524

Ending Fund Balance Detail	Original Budget	Year to Date
<i>Community Park Fees</i>	\$ -	68,524
<i>Linear Park Fees</i>	-	-
<i>Neighborhood Park Fees (Area I)</i>	-	-
<i>Neighborhood Park Fees (Area II)</i>	-	-
<i>Neighborhood Park Fees (Area IV)</i>	-	-
<b>Total</b>	\$ -	\$ 68,524

# Public Safety Special Revenue Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 25,600	\$ 79,600	\$ 58,204	\$ 21,396	73%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	3,600	9,600	14,642	(5,042)	153%
<i>Capital</i>	-	35,000	-	35,000	0%
<b>Total Expenditures</b>	\$ 3,600	\$ 44,600	\$ 14,642	\$ 29,958	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Operating Transfers Out</i>	(22,000)	(22,000)	-	(22,000)	0%
<b>Total Other Sources (Uses)</b>	\$ (22,000)	\$ (22,000)	\$ -	\$ (22,000)	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 26,892	\$ 23,610	\$ 23,610
<i>+ Net Increase (Decrease)</i>	-	13,000	43,562
<b>Ending Fund Balance</b>	\$ 26,892	\$ 36,610	\$ 67,172

**Audited FY17**

# Municipal Court Technology Fee Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 3,500	\$ 3,500	\$ 2,891	609	83%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Services / Supplies</i>	\$ 5,500	\$ 5,700	\$ 5,455	\$ 245	96%
<i>Total Expenditures</i>	\$ 5,500	\$ 5,700	\$ 5,455	\$ 245	96%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Operating Transfers Out</i>	-	-	-	-	0%
<i>Total Other Sources (Uses)</i>	\$ -	\$ -	\$ -	\$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 34,449	\$ 34,172	\$ 34,172
<i>+ Net Increase (Decrease)</i>	(2,000)	(2,200)	(2,564)
<i>Ending Fund Balance</i>	\$ 32,449	\$ 31,972	\$ 31,608

Audited FY17

# Municipal Court Building Security Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<b>Percent of Budget Year Transpired</b>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	\$ 2,700	\$ 2,700	\$ 2,168	\$ 532	80%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel (Bailiff)</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	-	-	-	-	0%
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 31,374	\$ 30,119	\$ 30,119
<i>+ Net Increase (Decrease)</i>	2,700	2,700	2,168
<b>Ending Fund Balance</b>	\$ 34,074	\$ 32,819	\$ 32,287

Audited FY17

Highland Village Community Development Corporation  
Working Capital Analysis (FY 2018)

	<i>Actual 2015-2016</i>	<i>Projected 2016-2017</i>	<i>Budget 2017-2018</i>	<i>YTD 2017-2018</i>
<b>Beginning Fund Balance</b>	\$ 824,241	\$ 373,514	\$ 235,485	\$ 235,485
<b>Revenues</b>				
4B Sales Tax	1,231,754	1,256,098	1,291,796	845,076
Park Fees (Rental)	1,263	43,992	57,670	51,269
Linear Park Fees	287	287	574	-
Miscellaneous Income	-	-	-	-
Interest Income	2,601	600	800	472
<b>Total</b>	<b>\$ 1,235,905</b>	<b>\$ 1,300,977</b>	<b>\$ 1,350,840</b>	<b>\$ 896,816</b>
<b>Expenditures</b>				
Personnel	164,137	200,939	273,465	209,046
Services / Supplies	261,960	181,928	219,676	187,221
Reimburse GF (Support Functions)	28,000	28,000	28,000	-
Reimburse GF (Debt Service)	889,309	890,071	870,685	753,926
<b>Total Non-Capital Expenditures</b>	<b>\$ 1,343,406</b>	<b>\$ 1,300,938</b>	<b>\$ 1,391,826</b>	<b>\$ 1,150,193</b>
<b>Capital</b>				
Engineering	-	-	-	-
Projects Funded Directly	-	-	-	-
Transfer to 4B Capital Projects	\$ 300,000	\$ 138,068	\$ -	\$ -
Equipment	43,226	-	40,000	-
Net Increase / (Decrease)	(450,727)	(138,029)	(80,986)	(253,376)
<b>Working Capital Balance</b>	<b>\$ 373,514</b>	<b>\$ 235,485</b>	<b>\$ 154,499</b>	<b>\$ (17,891)</b>

# Highland Village Community Development Corporation Capital Projects

	<i>Actual 2015-2016</i>	<i>Actual 2016-2017</i>	<i>Budget 2017-2018</i>	<i>YTD 2017-2018</i>
<b>Beginning Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Funding</b>				
Debt Issuance	-	-	-	-
Bond Discount	-	-	-	-
Debt Issuance Cost	-	-	-	-
Funding from Operations	300,000	138,068	-	-
Capital Projects (HV RR Crossing)	-	-	-	-
Denton County	-	-	-	-
I-35 Mitigation	-	-	-	-
Interest Earnings	-	-	-	-
<b>Total Available Project Funding</b>	<b>\$ 300,000</b>	<b>\$ 138,068</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>				
<b>Castlewood Trail</b>				
Engineering - \$131,200	-	-	-	-
Project Cost - \$1.312M (Estimated)	-	-	-	-
<b>Copperas Trail</b>				
Engineering - \$112,380	-	-	-	-
Project Cost - \$1.5M (Estimated)	-	-	-	-
<b>HV Rd Trail (Phase IIa - CH to Svc Cntr)</b>				
Engineering - \$25,000	-	-	-	-
Project Cost - \$250,982 (Estimated)	-	-	-	-
<b>HV Rd Trail (Phase IIb - Lions Club Park to Doubletree Ranch Park)</b>				
Engineering (Mostly included in Copperas Trail Eng.) - \$25,714 (Remain)	-	-	-	-
Project Cost - \$250,000 (Estimated)	-	-	-	-
<b>FM 2499 Sidewalk</b>				
Engineering - \$12,500	-	-	-	-
Project Cost - \$117,678 (Estimated)	-	-	-	-
<b>Pedestrian Crosswalk Enhancement</b>				
Engineering	-	-	-	-
Project Cost - \$26,000/Crossing	-	-	-	-
<b>Marauder Park Lake Access</b>				
Engineering - \$31,000 (Estimated)	-	-	-	-
Project Cost - \$58,178 (Estimated)	-	-	-	-
<b>HV Rd RR Crossing</b>				
Engineering - \$7,200 (Estimated)	-	-	-	-
Project Cost - \$48,000 (Estimated)	-	-	-	-
<b>Lakeside Community Park (707 HV Rd Trailhead)</b>				
Engineering - \$40,000	-	-	-	-
Project Cost - \$420,000	-	-	-	-
<b>Misc. Small, Fill-In/Connector Sections</b>				
Project Cost - \$20,000 (Per Year)	1,875	5,400	-	-
<b>Doubletree Ranch Park</b>				
Engineering - \$779,300	-	-	-	-
Project Cost - \$8,500,000 (Estimated)	1,444,637	511,000	-	-
<b>Total Capital Projects</b>	<b>\$ 1,446,512</b>	<b>\$ 516,400</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Remaining Project Funding</b>	<b>\$ 378,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# PEG Fee Fund FY 2017/2018 Budget

**YEAR TO DATE JULY**

<i>Percent of Budget Year Transpired</i>	<b>83.3%</b>
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Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>PEG Fee Receipts</i>	\$ 52,000	\$ 52,000	\$ 26,543	\$ 25,457	51%
<b>Total Revenues</b>	\$ 52,000	\$ 52,000	\$ 26,543	\$ 25,457	51%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	3,000	7,000	4,114	2,886	59%
<i>Capital</i>	-	-	-	-	0%
<b>Total Expenditures</b>	\$ 3,000	\$ 7,000	\$ 4,114	\$ 2,886	59%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Operating Transfers Out</i>	-	-	-	-	0%
<b>Total Other Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning fund balance</i>	\$ 68,592	\$ 65,266	\$ 65,266
<i>+Net Increase (Decrease)</i>	49,000	45,000	22,429
<b>Ending Fund Balance</b>	\$ 117,592	\$ 110,266	\$ 87,695

Audited FY17

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

**AGENDA# 18**

**MEETING DATE: 09/11/18**

**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 24<sup>th</sup> 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. The first public hearing was held on August 28, with the second scheduled for the September 11<sup>th</sup> 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 24<sup>th</sup>
  - City Manager Recommended Budget posted on City Website
- August 28<sup>th</sup> (Regular Council Meeting)
  - Public Hearing on tax rate and budget
- September 11<sup>th</sup> (Regular Council Meeting)
  - Public Hearing on tax rate and budget
  - 1<sup>st</sup> read on tax rate and budget
- September 25<sup>th</sup> (Regular Council Meeting)
  - 2<sup>nd</sup> 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**

<b>AGENDA#</b> 19	<b>MEETING DATE:</b> 09/11/18
<b>SUBJECT:</b>	<b>Consider Ordinance 2018-1251 Adopting the FY 2018-2019 Annual Budget (1<sup>st</sup> of two readings)</b>
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>

**BACKGROUND:**

City Staff initiated the FY 2019 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 second of two public hearings will be conducted at this meeting (the previous public hearing having been conducted at the August 28<sup>th</sup> meeting).

**IDENTIFIED NEED/S:**

The FY 2018/19 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, and is on file in the City Secretary's Office.

<https://tx-highlandvillage2.civicplus.com/DocumentCenter/View/6028/FY-2019-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:**

To approve Ordinance 2018-1251 adopting the FY 2018-2019 Budget on first reading.

**CITY OF HIGHLAND VILLAGE**

**ORDINANCE NO. 2018-1251**

**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, 2018, AND ENDING SEPTEMBER 30, 2019, 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, 2018, and ending September 30, 2019 (“the FY 2018-2019 Budget”), and

**WHEREAS**, the proposed FY 2018-2019 Budget has been filed with the City Secretary of the City of Highland Village as required by law; and

**WHEREAS**, notices of public hearings upon the proposed FY 2018-19 Budget have been duly and legally posted or published as required by law; and,

**WHEREAS**, said public hearings were held on August 28, 2018, and September 11, 2018, and whereon full and final consideration was given the proposed FY 2018-2019 Budget; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, has determined that the proposed FY 2018-19 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, 2018 and ending September 30, 2019, the FY 2018-2019 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	\$18,820,082
Debt Service Fund	\$2,733,998
Corps Leased Parks Fund	\$389,126
HV Drainage Utility Fund	\$582,637
Capital Projects Fund	\$5,375,281
Public Safety Special Revenue Fund	\$3,600
Park Development Fee Fund	\$24,000
PEG Fee Fund	\$19,400
Municipal Court Technology Fee Fund	\$5,700
Municipal Court Building Security Fund	\$0

Utility Fund	\$11,666,369
HV Community Development Fund	\$484,100
Total Funds	\$40,104,293

The above said budget is hereby approved for a total of \$40,104,293, 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 2018-2019 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 2018-2019 Budget. Amendments to the FY 2018-2019 Budget, including appropriations and expenditures which deviate from this FY 2018-2019 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 2018-2019 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, 2018, and ending September 30, 2019, approved herein, is on file in the City Secretary Office.

**Section 3.** The expenditures during the fiscal year beginning October 1, 2018, and ending September 30, 2019, shall be made in accordance with the FY 2018-2019 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, 2018 and ending September 30, 2019 shall be subject to certain fiscal and budgetary policies as adopted by the City Council.

**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>Jon Kixmiller, Councilmember-Place 2</b>		
<b>Mike Lombardo, Councilmember – Place 3</b>		
<b>Barbara Fleming, Councilmember – Place 4</b>		
<b>Fred Busche, 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. 2018-1251 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 11<sup>th</sup> DAY OF SEPTEMBER, 2018.**

**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>Fred Busche, 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. 2018-1251 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018.**

**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:9/4/18:102357)

**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# 20**

**MEETING DATE: 09/11/18**

**SUBJECT: Consider Ordinance 2018-1252 Levying the Ad Valorem Taxes for the Year 2018 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, 2018 (1<sup>st</sup> of two reads)**

**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 slightly decreased from last year. However, as specified in Local Government Code Section 140.010, because the proposed rate exceeds the effective tax rate, state law requires two public hearings 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, also broadcast on HVTV. State law also requires a public hearing be held prior to adoption of the city's annual budget.

**IDENTIFIED NEED/S:**

Ordinance No. 2018-1251 provides for the adoption of the City's official budget for Fiscal Year 2018-19. Pursuant to the direction of the City Council, the City Manager has prepared the FY 2018-19 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 2018-19 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. 2018-1252 providing for the adoption of a total tax rate of \$.56302 per \$100 valuation (composed of a Maintenance and Operation (M&O) rate of \$0.479787 per \$100 valuation and a debt service rate of \$0.083233 per \$100 valuation) to fund the FY 2018-2019 budget.

Two calculations are performed to determine the action required by Council and specific language to include in the ordinance:

**Maintenance and Operations (M&O) Effective Rate:** The rate calculated by dividing the preceding year M&O levy by the current year assessed valuation.

Because the proposed tax rate, when applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures that exceeds the amount of taxes imposed for this purpose last year, 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. 2018-1252).

- If the proposed M&O rate also exceeds the M&O Effective Rate, additional language is required. However, the proposed M&O rate for this year is less than the effective M&O rate and thus will not require this additional language.

**Effective Rate:** The rate that would provide the same amount of funds raised from property taxes as the preceding year if applied to the same properties taxed in both years

Because the proposed tax rate will exceed the effective tax rate of \$0.54959 per \$100 valuation, state law requires:

- At least 60 percent of the governing body must vote in favor of the ordinance by a record vote.
- The motion approving an ordinance adopting a tax rate that is greater than the effective 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:**

Staff recommends approval of Ordinance No. 2018-1252 on first reading. State law requires the motion to approve Ordinance No. 2018-1252 on first reading 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 2.4 percent increase in the tax rate and, therefore, I further move that Ordinance No. 2018-1252 be approved on first reading.”***

**CITY OF HIGHLAND VILLAGE, TEXAS**

**ORDINANCE NO. 2018-1252**

**AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2018 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, 2018; 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 2018 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 2018 by the Denton Central Appraisal District; and

**WHEREAS**, the City Council has approved Ordinance No. 2018-1251 adopting the City's annual budget for fiscal year 2018-2019; 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 2018 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 \$0.479787 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 \$0.083233 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.**

**Section 3.** All ad valorem taxes shall become due and payable on October 1, 2018, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2019. There shall be no discount for payment of taxes prior to February 1, 2019. 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, 2019, 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 2018 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 2018-2019 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>Jon Kixmiller, Councilmember-Place 2</b>		
<b>Mike Lombardo, Councilmember – Place 3</b>		
<b>Barbara Fleming, Councilmember – Place 4</b>		
<b>Fred Busche, 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. 2018-1252 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 11<sup>th</sup> DAY OF SEPTEMBER, 2018.**

**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>Fred Busche, 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. 2018-xxxx WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018.**

**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:9/4/18:102358)

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

**AGENDA# 21**

**MEETING DATE: 09/11/18**

**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

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

Note - Please visit [www.highlandvillage.org](http://www.highlandvillage.org) or the City Hall bulletin board for the latest meeting additions and updates.

By: Karen Bradley, Administrative Assistant - City Secretary Office