



A G E N D A

**REGULAR MEETING OF THE
HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, JULY 26, 2022, at 4:30 P.M.**

1. **Call to Order**
2. **Visitor Comments** *(Anyone wishing to address the Highland Village Community Development Corporation must complete a Speakers' Request Form and return it to the Executive Assistant. In accordance with the Texas Open Meetings Act, the Community Development Corporation 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 Chairperson may impose a three (3) minute limitation on any person addressing the Board.)*
3. **Consider Appointment of Highland Village Community Development Corporation Officers**
4. **Consider approval of Minutes of the Regular Community Development Corporation Meeting held on July 27, 2021**
5. **Consider Approval of Proposed Budget Amendments for Fiscal Year 2021 – 2022**
6. **Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed Fiscal Year 2022 – 2023 Budget Included Therein.**
7. **Status Reports on Current Projects and Discussion on Future Agenda Items** *(A Boardmember 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.)*
8. **Adjournment**

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE, CHAPTER 551, ON THE 22nd DAY OF JULY, 2022 NOT LATER THAN 5:00 P.M.


Karen McCoy, Executive Assistant

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 email citysecretary@highlandvillage.org for additional information.

Removed from posting on the _____ day of _____, 2022 at
_____ am / pm by _____.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

BRIEFING

AGENDA# 3

MEETING DATE: 07/26/2022

SUBJECT: Consider Appointment of Highland Village Community Development Corporation Officers

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND

Officers are defined in the Highland Village Community Development Corporation by-laws as including a President, Vice President, Secretary, and Treasurer. One person may hold more than one office, except that the President shall not hold the office of Secretary. Terms of office are one year, with the right of an officer to be re-elected.

IDENTIFIED NEED/S:

In accordance to the Highland Village Community Development Corporation bylaws:

The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office except that the president shall not hold the office of secretary Terms of office shall be one (1) year with the right of an officer to be re-elected.

Currently, the positions in effect are as follows:

President – Elisabeth Mechem

Vice President – Jared Christianson

Secretary/Treasurer – Vacant (Functions essentially provided by City Staff – previous boards have elected not to fill accordingly; however, the City Attorney has advised that state law requires a member of the board be elected to serve as the corporation’s secretary, even if the duties of the secretary are largely performed by City staff).

OPTIONS & RESULTS:

Description of the officer positions – as defined in the by-laws:

President The president shall be a member of the Board, shall preside at all meetings of the Board and may sign and execute contracts and other legal instruments in the name of the Corporation as approved by the Board.

Vice President The vice president shall be a member of the Board and shall exercise the powers of the president during that officer’s absence or inability to act Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Treasurer The treasurer shall be a member of the Board and shall have the responsibility to see to the handling custody and security of all funds and securities of the Corporation in accordance with these bylaws and statutes governing corporations formed under the Act. Upon the approval of the Board the treasurer may endorse and sign on behalf of the Corporation for collection or issuance checks notes and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The City Council may require that the treasurer at the expense of the Corporation give a bond for the faithful discharge of his duties in such form and amount as the City Council may require.

Secretary The secretary shall be a member of the Board and shall keep the minutes of all meetings of the Board in books provided for that purpose shall give and serve all notices may sign with the president upon the approval of the Board in the name of the Corporation and/or attest to the signature thereto all contracts conveyances franchises bonds deeds assignments mortgages notes and other instruments of the Corporation shall have charge of the corporate books records documents and instruments except the papers as the Board may direct all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

As Board members can attest, City Staff provides for the functional duties of these positions.

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

None.

RECOMMENDATION:

Board to elect officers for the HVDCD.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
BRIEFING

AGENDA# 4	MEETING DATE: 07/26/2022
SUBJECT:	Consider Minutes of the July 27, 2021 Highland Village Community Development Corporation Meeting
PREPARED BY:	Karen McCoy – Executive Assistant

BACKGROUND

Minutes are approved by majority vote of The Highland Village Community Development Corporation at the meetings.

IDENTIFIED NEED/S:

The Board is encouraged to call the Finance Department prior to the meeting with suggested changes. Upon doing so, the staff will make suggested changes.

OPTIONS & RESULTS:

The Highland Village Community Development Corporation should review and consider approval of the minutes. The Board's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

PROGRESS TO DATE: (if appropriate)

The Assistant 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 July 27, 2021 Highland Village Community Development Corporation meeting minutes.

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
CITY OF HIGHLAND VILLAGE, TEXAS
HELD IN THE MUNICIPAL COMPLEX COUNCIL CHAMBERS
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, JULY 27, 2021**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 27th day of July 2021 at 4:34 pm in the City Council Chambers.

1. CALL TO ORDER

President Mechem called the meeting to order at 4:34 p.m.

ROLL CALL

Present:	Mike Lombardo	Council Representative
	Elisabeth Mechem	Citizen Representative
	Barbara Fleming	Council Representative
	Jared Christianson	Citizen Representative
	Dan Jaworski	Council Representative
	Dale Butler	Citizen Representative
Absent:	Tom Heslep	Council Representative
Staff Members:	Ken Heerman	Assistant City Manager
	Phil Lozano	Parks & Recreation Director
	Karen McCoy	Executive Assistant
	Andrew Boyd	Multi-Media Specialist

2. VISITOR COMMENTS

None

3. CONSIDER APPOINTMENT OF HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION OFFICERS

APPROVED

Mr. Heerman explained that we have three officer positions for the Corporation. President, Vice-President, and Secretary/Treasurer that must be filled each year. Staff completes the functions for the Secretary/Treasurer position, however this position must now be filled by a representative per the recommendation of City Attorney, Kevin Laughlin.

Mr. Jaworski nominated Elisabeth Mechem as President. Mrs. Fleming seconded the motion.

Ms. Mechem nominated Jared Christianson as Vice-President. Mrs. Fleming seconded the motion.

Mr. Jaworski nominated Barbara Fleming as Secretary/Treasurer. Mr. Lombardo seconded the motion.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING
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MS. MECHEM MADE THE MOTION TO APPOINT ELISABETH MECHEM AS PRESIDENT, JARED CHRISTIANSON AS VICE-PRESIDENT, AND BARBARA FLEMING AS SECRETARY/TREASURER.

Motion to approve carried 6 – 0.

4. CONSIDER APPROVAL OF MINUTES OF THE REGULAR COMMUNITY DEVELOPMENT CORPORATION MEETING HELD ON JULY 28, 2020

APPROVED

MR. JAWORSKI MADE THE MOTION TO APPROVE THE MINUTES. MR. BUTLER SECONDED THE MOTION.

Motion to approve carried 6 – 0

5. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2020 – 2021

APPROVED

Assistant City Manager and Board Liaison Ken Heerman gave an overview of the Highland Village Community Development Corporation Budget before discussing the proposed budget amendments. He stated that each department is responsible to not exceed the amounts budgeted in each of three categories – Personnel, Services/Supplies, and Capital. Category subtotals of departmental expenditures provide the level of budgetary control. Mr. Heerman further explained that should the need arise for reallocation between categories or departments, budget amendments are then presented to City Council for consideration.

Personnel - \$30,000 decrease
Budget \$370,603 Revised \$340,603

- Majority of decrease related to two primary factors: reassignment of personnel, retirement of experienced crew leader, decreased overtime, and change in health insurance selection compared to budget.

Services / Supplies - \$40,000 increase
Budget \$208,614 Revised \$248,614

- Park Maintenance – Unforeseen UV work in pump-house for Splash-pad \$7,100
- Surge protector repairs in barn \$11,424 (winter storm damage)
- Pump-house-muriatic acid pump replacement \$465
- Pump-house-recirculation pump installation \$189
- Increased chemicals to treat weeds due to excessive rains \$3,000
- Doubletree Ranch Grand lawn remediation \$6,000 (a portion of the amount will be refunded by LISD at the end of the year; however the amount is not known at this time.)

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING
MINUTES – JULY 27, 2021

Mr. Heerman stated that these adjustments would be incorporated into the mid-year budget amendments that are submitted to City Council. The projected year-end working capital balances are projected at \$288,120 for FY 2021.

MR. JAWORSKI MADE THE MOTION TO APPROVE THE BUDGET AMENDMENTS AS PROPOSED. MR. LOMBARDO SECONDED THE MOTION.

Motion to adopt carried 6 – 0.

6. CONDUCT A PUBLIC HEARING AND CONSIDER ADOPTION OF THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2021 – 2022 BUDGET INCLUDED THEREIN

The Bylaws of the Highland Village Community Development Corporation (4B) require an annual update to the Facilities Development Capital Improvement Program (FDCIP), as well as approval of an annual Budget. The FDCIP details projects and implementation in regards to the approved 4B projects and uses the ½ cent sales tax for the City Comprehensive Trail System and a Soccer Complex. As the Budget is an integral component of the FDCIP, it is presented together. The purpose of the FDCIP is to provide awareness, to see the projects the city is proposing and then have an opportunity to provide feedback.

Mr. Heerman gave an overview of the FY 2022 Budget Highlights:

Total base proposed non-capital expenditures for the FY 2022 operating budget reflects a slight increase of \$3,699 (.6%) from FY 2021.

Personnel

- With the opening of Doubletree Ranch Park, an additional position was added in FY 2018, bringing the total number of positions funded by the 4B to four. This crew is focused on maintenance of all city trails, Lakeside Community Park, and Doubletree Ranch Park. Parks employees funded by the General Fund are also used to supplement as needed. Addition of the Splash Pad at Doubletree Ranch Park, in addition to the other amenities, has provided challenges for the Parks Department with the increased workload.
- For FY 2022, the proposed budget for Personnel is \$324,483 – a \$46,120 decrease from FY 2021.
 - Roughly one half, or about \$20,000 of the decrease reflects reallocation of personnel, and in particular, retirement of a seasoned crew leader.
 - A proposed Market Adjustment of 3%, representing \$4,580, partially offsets the decrease.
 - While health insurance premiums increased, the overall cost for insurance decreased due to changes in coverage selected by employees assigned to the 4B fund.

Expenditures for Services / Supplies increased \$49,819.

- Changes in two primary areas resulted in the increase:
- Park Maintenance increased \$29,256 from \$44,355 to \$73,611.
 - Planned remediation for the grand lawn at Doubletree Ranch Park (\$10,000).

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- Highland Village Rd – service center to Sellmeyer Ln - \$561,200 (in process & part of the 2018 Parks Bond Issue)
- Highland Village Rd – City Hall to Service Center - \$361,100 (in process & part of the 2018 Parks Bond Issue)
- Chapel Hill City Trail / FM2499 Pedestrian Tunnel Connector - \$220,908 (Engineering funded with redirected savings from favorable street overlay bid – in progress)
- Marauder Park Trail Head - \$391,000
- Pilot Knoll Trail Connection – Connection from FM2499 Sidealk at City Trail to Pilot Knoll Park
- Victoria Trail – remainder
- Pedestrian tunnel under KCS RR

Identified small fill-in / connector sections

- Trail/Sidewalk connection on Castlewood Blvd. (west side) at FM 2499/Highland Shores Blvd. –\$44,850
- Highland Shores Blvd. at Highland Village Rd. South Side 5' sidewalk/trail connector where bike lane ends due to right turn lane, connect to City Trail \$8,665.
- Trail connector from Marauder Park Trail under FM 2499 Bridge to connect to Shoreline access point (have easement from TxDOT for trail)

Assistant City Manager, Heerman stated there are no proposed updates to the FDCIP for FY 2022.

PUBLIC HEARING CONDUCTED

Nature of request is to conduct a public hearing regarding the adoption of the annual updates to the Facilities Development Capital Improvement Program (FDCIP) and the proposed Fiscal Year 2021-2022 Budget included therein.

Ms. Mechem opened the public hearing at 5:27 pm and asked for anyone wishing to speak. There being no one, Ms. Mechem closed the Public Hearing at 5:27 pm.

APPROVED

Nature of the request is to consider adoption of the annual updates to the Facilities Development Capital Improvement Program (FDCIP) and the proposed Fiscal Year 2020 – 2021 Budget.

MR. BUTLER MADE THE MOTION TO ADOPT THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2021 – 2022 BUDGET INCLUDED THEREIN. MS. MECHEM SECONDED THE MOTION.

Motion to adopt carried 6 – 0.

7. STATUS REPORTS ON CURRENT PROJECTS AND DISCUSSION ON FUTURE AGENDA ITEMS *(A Boardmember 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.)*

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING
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DISCUSSION ITEM ONLY

None

8. ADJOURNMENT

President Mechem adjourned the meeting at 5:29 p.m.

Elisabeth Mechem, President

Karen McCoy, Executive Assistant

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

BRIEFING

AGENDA # 5

MEETING DATE: 07/26/2022

**SUBJECT: Consider Approval of Proposed Budget Amendments for
Fiscal Year 2022**

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

Each department is responsible to not exceed the amounts budgeted in each of three categories – Personnel, Services/Supplies, and Capital. Category subtotals of departmental expenditures thus provide the level of budgetary control. Should a need arise for reallocation between categories or between departments, budget amendments are then presented for Council consideration.

IDENTIFIED NEED/S:

Prior to submission to City Council for consideration, a proposed budget amendment Corporation's budget is presented to the Highland Village Community Development Corporation Board for consideration. Expenditures for Personnel are within the budgeted amount. Both Services / Supplies and Capital expenditures exceed budget largely due to the timing of the projects – much of the expenditure amount was projected for last budget year, but have been carried over to this fiscal year. Thus, in essence, the amendment will serve to re-appropriate funding to the current fiscal year when expenditures were incurred.

Services / Supplies \$37,500 increase

Budget: \$402,427 Revised \$439,927

- Professional Services - Landscape Architectural Services for fencing options for the Doubletree Ranch Park splash pad. \$12,500
- Splash Pad material cost to make the repairs to enable 2022 season - \$25,000 (Splash pad surfacing scheduled for replacement, but unable to get materials in light of supply chain issues)

These adjustments will be incorporated into mid-year budget amendments submitted to City Council.

BUDGETARY IMPACT: (if appropriate)

Projected year-end working capital balances are projected at \$451,066 for FY 2022.

RECOMMENDATION:

Approve budget amendment as submitted.

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>
HV Community Development Corp	Services / Supplies	402,427	439,927	37,500
Net Change in Working Capital				-37,500

<p>Reason for Request</p> <p>Services / Supplies –</p> <ul style="list-style-type: none"> • Professional Services - Landscape Architectural Services for fencing options for the Doubletree Ranch Park splash pad. \$12,500 • Splash Pad material cost to make the repairs to enable 2022 season - \$25,000 (Splash pad surfacing scheduled for replacement, but unable to get materials in light of supply chain issues)

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
BRIEFING

AGENDA# 6

MEETING DATE: 07/26/2022

SUBJECT: Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed FY 2023 Budget Included Therein

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND

The Bylaws of the Highland Village Community Development Corporation require an annual update to the Facilities Development Capital Improvement Program (FDCIP), as well as approval of an annual budget. The FDCIP details projects and implementation in regard to the approved 4B projects: the City comprehensive trail system and a soccer complex. As the budget is an integral component of the FDCIP, it is presented together.

IDENTIFIED NEED/S:

The Corporation is to adopt an annual FDCIP – this enumerating any new projects. An annual budget is also to be approved – this being the first year of the five-year outlook included in the FDCIP. A public hearing is required prior to adoption of the FDCIP and budget. The five-year outlook financial presentation immediately follows this briefing.

This meeting is concerned with discussion including:

- Status of projects in process
- Five-year outlook
- New projects for consideration to add to FDCIP
- Prioritization of projects / implementation

OPTIONS & RESULTS:

FY 2023 Budget Highlights

- Total base proposed non-capital expenditures for the FY 2023 operating budget reflects a slight decrease of \$23,755 (-3.2%) from FY 2022.

Personnel

- Concurrent with the opening of Doubletree Ranch Park, an additional position was added in FY 2018, bringing the total number of positions funded by the 4B to four. This crew is focused on maintenance of all city trails, Lakeside Community Park, and Doubletree Ranch Park. Parks employees funded by the General Fund are also used to supplement as needed. Addition of the Splash Pad at Doubletree Ranch Park, in addition to the other amenities, continues to provide challenges for the Parks Department with the increased workload.
- For FY 2023, the proposed budget for Personnel is \$331,609 – a \$10,275 increase (3.2%) from FY 2022.
 - This increase is primarily reflective of an overall 5% increase suggested to at least partially address the impact of inflation for employees and to stem turnover that is being experienced industrywide.
 - While health insurance premiums increased, the overall cost for insurance only marginally increased due to changes in coverage selected by employees assigned to the 4B fund.

Expenditures for Services / Supplies totaling \$385,678 decreased \$16,749 from last year's budget amount of \$402,427.

- Park Maintenance decreased \$18,799 from \$237,605 to \$218,806.
 - FY 2022 had \$163,994 of supplemental requests representing various one-time expenditures. Included in this total were two projects - adding lighting at the PFC Aaron Hudson Memorial Bridge (\$35,000) and landscaping / irrigation maintenance on trail system (\$30,000) that are carried over to FY 2023. Also proposed for FY 2023 are various painting / staining projects at Doubletree Ranch totaling \$76,000.
 - These identified one-time projects are \$23,000 less than the one-time supplemental projects included last year. This was partially offset by a \$4,000 increase in routine ongoing maintenance.

There is no equipment replacement identified for FY 2023.

Supplemental requests identified for FY 2023 are listed following:

4B Supplemental Requests FY 2023

Supplemental Request Description	Proposed	Funded	Capital
Doubletree Ranch Park - professional redesign of concession stand area into party room for rental	\$ 6,000	\$ 6,000	
Add Village Park Sidewalk from trail to playground area	6,000	6,000	
Doubletree Ranch Park - surface replacement (replace with upgraded surface that is currently in use at Kids)	67,000	67,000	X
Doubletree Ranch Park - physical barrier around splash pad to protect surface against non-foot traffic	220,000	220,000	X
	\$ 299,000	\$ 299,000	

With completion of Doubletree Ranch Park in FY 2017, exhausting all remaining bond proceeds, the primary focus has been to target maintenance and programming of this park – along with the now extensive trail system throughout the City. With no new projects planned in the immediate future, the operations / maintenance budget is expected to be primarily maintained at its current level, with increases accounting for inflation as well as addressing periodic maintenance needs. However, increased sales tax receipts in FY 2021 and FY 2022 have provided some capability to address supplemental requests. Most of the requests address maintenance issues, with a few – accommodation for food trucks at Doubletree and lighting for the Aaron Hudson Memorial Bridge - providing for enhanced service level.

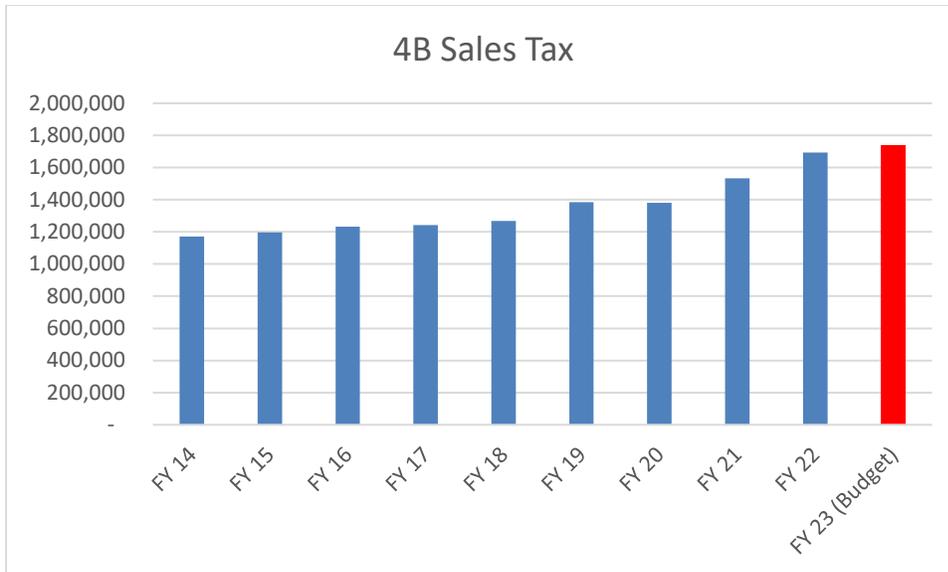
Project Summary

Only a small project is anticipated for FY 2023, adding a sidewalk connecting the trail around Village Park to the playground area at an estimated cost of \$6,000.

Projected available bond proceeds (9/30/22) \$ - 0 - . There will be no bond proceeds available until the next debt issuance.

Financial Outlook

Rental income projections for Doubletree Ranch Barn was increased \$22,000 reflective of two changes: addition of HVAC to the Barn main rental area and updating rental fees more reflective of area rates for similar facilities. Sales tax revenues, the primary revenue source for this fund, have experienced a robust recovery in the two years following the pandemic.



Increases of just 1% and 2.1% in FY 2017 through FY 2018, was followed with a 9.2% increase in FY 2019. The FY 2020 sales tax revenues reflected the first decrease in quite some time due to ramifications of COVID-19 shutdowns. However, given the severity of economic ramifications stemming from the shutdown, experiencing only a slight reduction for FY 2020 is an outstanding outcome. A Supreme Court ruling allowing collection of sales tax on Internet sales has resulted in a positive impact, as internet related sales largely offset losses from local retail and restaurant sales. FY 2021 reflected a robust recovery of 11% increase over FY 2020, followed by a like increase in FY 2022.

Projections for FY 2023 are clouded by challenging economic conditions of inflation, increasing interest rates to stem the inflation, and a very possible recession resulting from this. Thus, for next year, despite strong sales through mid-summer, sales tax revenue expectations are reduced to just under 3%. Future sales tax revenues are expected to reflect more subdued increases – reflective of a larger trend of volatility in the retail market, as well as the effect of our major retail centers maturing. With several years of established history with our new developments, we feel more confident in the reliability of the income stream, but with no expectation of an explosion of revenues. Thus, a cautious, deliberate approach to future debt issuance is warranted, with emphasis on first building sufficient working capital balances.

To provide a perspective on the current financial picture of this fund, it is helpful to review actions of recent years. The \$6.7M debt issuance in 2014, coupled with the previously received remediation monies (\$2.8M) from the I-35 widening project, effectively provided funding for substantial completion of the three remaining identified major projects: Doubletree Ranch Park, Castlewood Trail (also including the tie-in to the 2499 pedestrian tunnel), and Lakeside Community Park. An additional \$281,152 in funding from Operations in FY 2017 to accommodate the final cost of the last remaining project (Doubletree Ranch Park), resulted in a reduced working capital balance.

Since FY 2017, despite a desire to rebuild working capital balances, they have remained below our targets due to increased operational expenditures for the new amenities. While the next several years will focus on rebuilding working capital balances, this will continue to be challenged by the new threshold of operations expenditures. We have operated with the expectation of only modest increases anticipated in sales tax revenues and debt service remaining at current levels through 2024, thus providing no expectation that working capital balances sufficient for new debt issuance over the next several years will be achieved.

However, with the increased sales tax experienced the past two years, coupled with reduction in debt service resulting from a 2021 refunding of outstanding debt, this has provided opportunity to address various supplemental items, primarily at Doubletree Ranch Park. And reserve levels are increasing accordingly. With the recent increased sales tax revenues, however qualified on outcome of economic conditions in FY 2023, if continuing, will allow for increasing reserves. This in turn, coupled with the reduced level of debt service, may allow for considering additional debt issuance, if desired, in FY 2026 or 2027.

The only new recent major project was construction of a trail section adjacent to Highland Village Road from City Hall to Sellmeyer included in the FY 2018 Bond Election. This project provides a trail connection along Highland Village Road from FM 407 to Doubletree Ranch Park – and further connection to Copperas Branch Park. Expected completion of this trail is Fall 2022. Because this project was funded by City general obligation debt backed by ad valorem taxes and not funded through the 4B Sales Tax, this reflects a holistic view of the City park / trail system to complement the trail system with use of an alternate funding source.

A financial summary follows this narrative – depicted in two parts: Working Capital and Projects. The working capital section displays the operations budget. Revenues are primarily derived from sales tax proceeds (1/2 cent). Expenditures consist of four full-time positions (the fourth position added in FY 2018) – supplemented with outsourced mowing contracts, costs associated with maintenance activities, and debt service. The HVCDC has an agreement with the City to repay the debt service the City issued on behalf of the HVCDC. As Doubletree Ranch Park is a mixture of 4B approved expenditures (soccer facilities and trail components) and general fund programming (splash pad), funding has also been provided from the General Fund to address certain amenities. Trail development, with related project expenditures, is the primary mission of the corporation, which are primarily funded with proceeds from the issuance of debt. Maintaining sufficient working capital balances are the determining driver in regard to timing and amount of debt issues to fund the projects.

The working capital balance for year-end FY 2023 in the HVCDC is projected at \$693,987, representing an increase from recent years, primarily resulting from strong sales tax performance in FY 2021 and 2022. As the primary revenue source is sales tax, which comes with an associated higher degree of volatility, a reasonably healthy level of reserves is suggested.

Proposed FY 2022 Budget

	Actual 2020-21	Budget 2021-22	Estimate 2021-22	Base 2022-23	Suppltl 2022-23	Budget 2022-23
Beginning Fund Balance	\$ 109,678	\$ 288,120	\$ 356,703	\$ 451,066		\$ 451,066
Sales Tax	1,532,222	1,560,000	1,693,333	1,739,289	-	1,739,289
Park Fees	28,079	24,000	3,400	3,500	-	3,500
Rental Income	14,001	35,000	44,500	81,500	-	81,500
Linear Park Fees	-	-	-	-	-	-
Miscellaneous	1,000	-	1,475	-	-	-
Interest Income	60	55	300	500	-	500
Total Revenues	1,575,361	1,619,055	1,743,008	1,824,789	-	1,824,789
Expenditures						
<i>Personnel</i>	302,812	321,334	315,130	331,609	-	331,609
Professional Services	70,898	97,786	110,286	97,786	6,000	103,786
Employee Development	475	2,635	2,635	2,635	-	2,635
Supplies / Equipment	87,833	254,256	268,236	237,507	6,000	243,507
Utilities	33,836	47,750	47,750	47,750	-	47,750
Other	-	-	-	-	-	-
<i>Total Services / Supplies</i>	193,042	402,427	428,907	385,678	12,000	397,678
<i>Capital</i>	-	17,281	17,281	-	287,000	287,000
Total Expenditures	495,854	741,042	761,318	717,287	299,000	1,016,287
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	(832,482)	(838,357)	(887,327)	(565,581)		(565,581)
Net Increase / Decrease	247,026	39,656	94,363	541,921		242,921
Ending Fund Balance	\$ 356,703	\$ 327,776	\$ 451,066	\$ 992,987		\$ 693,987

Extended Five-Year Outlook

	Budget 2022-23	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	\$ 451,066	693,987	1,410,285	2,200,378	3,062,129
Sales Tax	1,739,289	1,810,928	1,885,708	1,963,776	2,045,285
Park Fees	3,500	3,900	4,300	4,300	4,300
Rental Income	81,500	81,500	84,600	84,600	85,600
Linear Park Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest Income	500	500	500	500	750
Total Revenues	1,824,789	1,896,828	1,975,108	2,053,176	2,135,935
Expenditures					
<i>Personnel</i>	331,609	346,532	362,126	378,421	395,450
Professional Services	103,786	94,053	105,053	94,053	105,053
Employee Development	2,635	2,635	2,635	2,685	2,685
Supplies / Equipment	243,507	121,396	102,326	106,516	110,326
Utilities	47,750	48,750	48,850	48,850	48,950
Other	-	-	-	-	-
<i>Total Services / Supplies</i>	397,678	266,834	258,864	252,104	267,014
<i>Capital</i>	287,000	-	-	-	-
Total Expenditures	1,016,287	613,366	620,990	630,525	662,464
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	(565,581)	(567,165)	(564,025)	(560,900)	(561,900)
Net Increase / Decrease	242,921	716,297	790,093	861,751	911,571
Ending Fund Balance	\$ 693,987	\$ 1,410,285	\$ 2,200,378	\$ 3,062,129	\$ 3,973,700

No Debt Financed Projects anticipated in three-year window. Restoration of working capital balances is anticipated to provide capability for consideration of debt issuance in FY 2026 or 2027.

Project Summary

Completed Projects

- City Trail
- Victoria Trail
- Market Trail
- Village Park Trail
- Lake Vista Trail
- Highland Village Road (Village Park Trail connection to RR crossing)
- Practice Soccer Fields (LISD property)
- Crosswalk at FM 2499
- Market Trail / Village Park Connection
- Pedestrian Crosswalk Enhancements (Victoria Trail crossing @ Highland Village Rd), and City Trail crossing @ Briarhill Blvd)
- FM 2499 Sidewalk (City Trail at FM 2499 south to connect with Market Trail)
- Highland Village Road Trail - Phase IIb (Lions Club Park to Doubletree Ranch Park)
- Highland Village Road RR Crossing
- Marauder Park Lake Access
- Twin Coves Drive West side of Road @ Highland Shores Blvd.. 5' sidewalk connector
- Castlewood Trail (including tie-in to FM 2499 Pedestrian Tunnel and City Trail)
- Southwood Trail
- Lakeside Community Park (707 HV Rd) Trailhead
- Doubletree Ranch Park

Small fill-in / connector sections completed

- Trail connection from Remington Dr. E. to Highland Village Road.
- Twin Coves Drive West side of Road @ Highland Shores Blvd. 5' sidewalk connector
- Trail Section on Spring Oaks Drive
- Briarhill Blvd. Across from the Jr. HS West side between the District Trail and Shannon Lane 5' sidewalk connector

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Projects (Previously Identified) for Future Consideration (Listed in Priority Order)

Projects

- Highland Village Road (Service Center to Sellmeyer Ln.) Cost: \$561,200 (Eng. \$73,200, Construction \$488,000) **In process (Included in 2018 Parks Bond Issue)**
- Highland Village Road (City Hall to Service Center) Estimated cost: \$361,100 (Eng. \$47,100, Construction \$314,000) **In process (Included in 2018 Parks Bond Issue)**
 - o These two sections were bid as one project (also including trail around Victoria Park), utilizing 2018 Bond proceeds
 - o Bid Construction Cost \$883,350, anticipating completion in Summer / Fall 2022
- Chapel Hill City Trail / FM 2499 Pedestrian Tunnel Connector Estimated cost: \$220,908 Eng.\$26,650, Construction \$194,258) Engineering funded with redirected savings from favorable street overlay bid, and this is in progress. Funding for construction to utilize available 2018 bond proceeds.

- Marauder Park Trail Head Estimated cost: \$391,000 (Eng. \$48,000, Construction \$343,000)
- Pilot Knoll Trail (Connection from FM 2499 Sidewalk at City Trail to Pilot Knoll Park)
- Victoria Trail (remainder)
- Pedestrian tunnel under KCS RR

Identified small fill-in / connector sections

- Trail/Sidewalk connection on Castlewood Blvd. (west side) at FM 2499/Highland Shores Blvd. – Estimated cost: \$44,850 (Eng. \$5,850, Construction \$39,000)
- Highland Shores Blvd. at H. V. Road South Side 5' sidewalk/trail connector where bike lane ends due to right turn lane, connect to City Trail Estimate \$8,665 - Engineer currently evaluating best options for bike lane. On street bike lane markings may be the best solution for this location. If so, the City Street Dept. could do the markings at a minimal cost.
- Trail connector from Marauder Park Trail under FM2499 Bridge to connect to Shoreline access point (have easement from TxDOT for trail)

There are no proposed updates to the Facilities Development Capital Improvement Program (FDCIP) for FY 2023.

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RECOMMENDATION:

Conduct public hearing and approve submitted FY 2023 Budget and annual updates to the HVDCD FDCIP.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
BRIEFING

AGENDA# 7

MEETING DATE: 07/26/2022

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

PREPARED BY: Karen McCoy – Executive Assistant

COMMENTS:

This item is on the Agenda to allow Board members 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 proposal to place the subject on an agenda for a subsequent meeting.